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Corporate Member, Pakistan Stock Exchange (Guarantee) Ltd.

ASDA Securities (Private) Limited

Un- Audited Financial Statements

For the period Quarterly September 30, 2018

ASDA Securities (Private) Limited

Balance Sheet


As at September 30, 2018

	Note	2018	2018
-----Rupees-----			
ASSETS			
Non-Current assets			
Property, Plant and Equipment	5	9,124,437	10,885,927
Intangible Assets	6	716,672	766,669
Long Term Investments	7	10,290,958	10,290,958
Long Term Loan to Staff		3,484,500	882,500
Long Term Deposits	8	1,505,109	1,505,109
		25,121,676	24,331,163
Current Assets			
Trade Debts	9	9,720,961	15,809,352
Loans and Advances	10	112,500	(0)
Trade Deposits and Prepayments	11	75,798,319	60,217,322
Short term investments	12	262,473,772	305,849,579
Cash and Bank Balances	13	11,992,263	10,803,725
		360,097,814	392,679,977
TOTAL ASSETS		385,219,490	417,011,140
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
15,000,000 (2016: 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		15,673,899	43,830,402
		155,673,899	183,830,402
CURRENT LIABILITIES			
Trade and other payables	15	82,500,501	96,370,825
Accrued markup	16	3,484,824	2,683,552
Short term borrowings -secured	17	143,560,266	134,126,361
Provision for taxation - less payments		-	-
		229,545,590	233,180,738
Contingencies and commitments	18	-	-
		385,219,489	417,011,141

The annexed notes 1 to 32 form an integral part of these financial statements



Chief Executive



Director

ASDA Securities (Private) Limited
Profit and Loss Account
For The Year Ended September 30, 2018

	Note	2018	2018
		-----Rupees-----	
Operating Revenues	19	4,263,774	45,868,664
Unrealized gain on remeasurement of listed shares		(6,814,015)	1,832,939
Unrealized gain on remeasurement of mutual fund		-	-
Realized Profit on sale of PSX shares		-	43,279,731
Realized Profit / (Loss) on sale of Listed Share		(5,139,234)	8,839,481
		(7,689,475)	99,820,815
Administrative Expenses	20	7,116,351	38,167
Other operating Expenses	21	-	1,175,006
Finance Cost	22	3,484,824	14,056,676
		10,601,175	15,269,849
Profit before taxation		(18,290,650)	84,550,966
Provision for taxation	23	(11,095,026)	(12,179,605)
Profit after taxation		(29,385,676)	72,371,361
Other Comprehensive Income			
Fair value gain on initial recognition of available for sale investments			25,134,303
Total Comprehensive Income		(29,385,676)	97,505,664
Earning Per Share - Basic and diluted		(2.10)	6.96

The annexed notes 1 to 32 form an integral part of these financial statements


Chief Executive


Director

	Note	2018	2018
-----Rupees-----			
6 INTANGIBLE ASSETS			
Membership Entitlements			
Pakistan Stock Exchange Limited TREC	'6.1 & 7.1	200,000	200,000
Less : Impairment loss		-	-
		200,000	200,000
Computer Software			
Computer software - Purchase Cost		-	26,400
less: Amortization during the year (1/5th amortization)		-	(26,400)
		-	-
Computer software - Back office		766,669	966,667
less: Amortization during the year (1/5th amortization)		(249,998)	(199,998)
		516,672	766,669
		716,672	966,669

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			
1,602,953 (2016: 4,007,383) Shares of Rs. 10 each of			
Pakistan Stock Exchange Limited	'6.1 & 7.1	41,163,833	41,163,833
Less: Investment classified in short term investment		(30,872,875)	(30,872,875)
		10,290,958	10,290,958

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 demotulization 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.

During the year, the Company has received sale proceed of Rs. 40.39 million against disposal of 1,602,953 shares representing 90% of sale proceed as initially agreed with Chinese Consortium through sale purchase agreement. the Company has also received sale proceed of Rs. 22 million against disposal of 801,477 shares representing 20% holding to general public.

Furthermore, PSX notified vide letter dated June 23, 2017 that SECP has approved the application for formal listing and quotation of shares of PSX pursuant to Stock Exchange (Corporatisation, Demutualisation and Integration) Act, 2012. The shares of PSX have been listed on June 29, 2017 on its ready counter, accordingly the company has recorded its remaining shares at a price of Rs. 25.68 being fair market value of such shares as of June 30, 2017. However CDC has kept these shares as frozen instead of blocked.

Further as per section 5(2) of Public Offering Regulations, 2017, the Company is required to retain not less than 25% of the total paid up capital for a period of not less than three financial years from the last date for the public subscription. The investment to the extent of 25% of ordinary shares of PSX has been classified as long term investment while the remaining investment in such shares has been classified as short term investment.

8 LONG TERM 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	1,200,000	1,200,000
Base Minimum Capital Requirement PSX	5,109	5,109
	1,505,109	1,505,109

9 TRADE DEBTS

Unsecured

Considered Good	9.1	9,720,961	144,349,105
		9,720,961	144,349,105

10 LOANS AND ADVANCES-Considered good, Unsecured

Current Portion of Long term loan to staff		112,500	9,000
Purchase of car - Honda Atlas Cars Ltd.		-	8,959,000
Advance Income tax - net of provisions		(0)	3,041,427
		112,500	12,009,427

11 TRADE DEPOSITS AND OTHER RECEIVABLES

Trade deposits - (NCCPL - Ready Exposure Margin)		2,500,000	500,000
Trade deposits - (NCCPL - MTS Exposure Margin)		424,770	20,755,368
Trade deposits - (NCCPL - Future Exposure / Losses in DFC)		20,381,640	4,848,900
Receivable from Stock Exchange		221,855	4,488,268
Receivable from PSX Proceed of 20% Shares		-	22,441,342
Receivable from NCPL Against Trading Settlements		-	-
Other Receivable from Chief Executive	11.1	500,000	924,663
MFS receivable		49,532,796	-
Agent Payable Against Commission		2,237,257	-
		75,798,319	53,958,541

11.1 This represents amount of Rs.924,663 (2016:Rs.2,845,039) receivable from Chief Executive.

		2018	2018
		-----Rupees-----	
12	SHORT TERM INVESTMENTS		
	At fair value through profit or loss		
	In Listed Companies	12.1	231,600,897
	NIT Units - NIT Islamic Equity Fund	12.2	-
	Un-Listed Company - For New Subscription of Loads Ltd.		7,248,000
			<u>231,600,897</u>
	Available for Sale Investment:		
	Pakistan Stock Exchange Limited	7.1	30,872,875
			<u>285,871,258</u>
			<u>262,473,772</u>
12.1	In Listed Shares		
	Cost of Investments including held under MTS		238,414,912
	Unrealized remeasurement gain		(6,814,015)
	Net Carrying Values being market values		<u>231,600,897</u>
12.2	In Mutual Fund - NIT Islamic Equity Fund		
	Opening		1,043,000
	Disposed during the year		(1,043,000)
	Unrealized remeasurement gain		-
	Net Carrying Values being Net Asset values		<u>-</u>

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

13	CASH AND BANK BALANCES		
	Js Bank Ltd - K.S.E Branch (Client A/c) - Stock Exchange Br	11,513,103	9,472,222
	NIB Bank Ltd (Client A/c) - Stock Exchange Br	-	25,950
	Meezan Bank Ltd (Client A/c) - Stock Exchange Br	451,920	115,810
	Cash at bank - Client's current accounts balances	11,965,023	12,486,308
	MCB Bank Ltd - K.S.E Branch	17,431	16,330
	NIB Bank Ltd (O/D) - K.S.E Branch	-	70,365
	Summit Bank Ltd - K.S.E Branch	500	1,000
	Meezan Bank Ltd (O/D) - K.S.E Branch	9,310	9,810
	Cash at bank - Current Accounts	27,241	27,041
		<u>11,992,263</u>	<u>12,513,349</u>
14	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
	2017	2016	
	Ordinary Shares of Rs. 10 each issued for consideration		
	4,500,000	4,500,000	Allotted for consideration paid in cash
	9,500,000	9,500,000	Allotted for consideration other than cash, (Conversion of KSE membership)
	<u>14,000,000</u>	<u>14,000,000</u>	<u>45,000,000</u>
			<u>95,000,000</u>
			<u>140,000,000</u>
			<u>140,000,000</u>

		2018	2018
		-----Rupees-----	
15	TRADE AND OTHER PAYABLES		
	Creditors for sale of shares on behalf of clients	11,965,021	12,481,743
	MIS unreleased payable	68,337,023	61,181,912
		80,302,044	73,663,655
	Traders share in commission payable	630,436	6,232,047
	Advance Payable to Shumail Ahmed	-	
	Accrued Expenses	434,075	237,960
	Other Liabilities	1,133,947	1,229,782
		<u>82,500,501</u>	<u>81,363,445</u>
15.3	Other Liabilities		
	Withholding tax	3,630	-
	Sindh sales tax on IPO Income	32,178	26,299
	Sindh sales tax on commission	269,220	374,564
	NCCPL against CGT	-	
	Workers welfare fund	828,919	828,919
		<u>1,133,947</u>	<u>1,229,782</u>
15.2.1	Workers welfare fund is adjustable from income tax refundable as appearing in note 10.		
16	ACCRUED MARKUP		
	Accrued mark-up on running finance - secured	3,484,824	3,041,060
17	SHORT TERM BORROWINGS -Secured		
	Secured, Markup Bearing		
	Running finances from bank	143,560,266	201,365,974
		<u>143,560,266</u>	<u>201,365,974</u>
17.1	The facilities for running finance available from a commercial banks aggregating to Rs.300 Million (June-2016 : Rs.150 million) and carry mark-up at the rate 3 M Kibor + 200 points spread (June-2016 : 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.		
	Value of shares under pledge with lending banks - House Account	3,534,950	139,780,637
	Value of shares under pledge with lending banks - Director	#REF!	234,793,088

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

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.

	2018	2018
	-----Rupees-----	
19 OPERATING REVENUES		
Brokerage Revenue - Securities - net of brokerage shares	19.1 6,470,788	61,686,286
Income From Exposure Deposits NCCPL - MTS	45,605	505,760
Income From Exposure Deposits NCCPL - RMS	111,843	174,710
Income From New script Commission (IPO)	-	25,500
Income From Cash Exposure Margin	-	-
	<u>6,628,236</u>	<u>62,392,256</u>
Less: Trader's shares in brokerage	<u>(2,770,211)</u>	<u>(20,832,004)</u>
	<u>3,858,025</u>	<u>41,560,252</u>
Dividend Income	405,749	4,308,412
	<u>4,263,774</u>	<u>45,868,664</u>
19.1 Brokerage revenue:		
From Proprietary trade		31,785,236
From Retail customers		29,052,662
From Institutional customers		848,388
		<u>61,686,286</u>
Comparative figures are not available as disclosure regime has been applied for the first time.		
20 ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries and benefits	4,122,500	1,041,583
Fees, subscription and charges	1,065,374	388,301
Communication	93,412	28,691
Conveyance and Travelling Expenses	550,106	220,970
KSE IT and Kats	149,355	19,046
Utilities	107,520	31,060
Office repairs and maintenance	43,000	65,074
Software Maintenance	149,160	81,557
General Expenses	180,946	123,437
Printing and stationery / Courier Service	-	3,192
Rent, rates & Taxes	-	-
Computer Expenses	28,500	15,338
Insurance	-	-
Entertainment	143,990	58,390
Mobile Expenses	-	-
Shared cost of PSX IPO	-	-
Donation	126,000	104,167
Car Sale Loss	-	-
Amortization of Intangibles	50,000	-
Depreciation	261,489	16,667
Auditors' Remuneration	20.1 45,000	110,133
	<u>7,116,351</u>	<u>38,167</u>
20.1 Auditors' Remuneration		
Audit fees	-	50,000
Certifications fees	-	48,800
	<u>-</u>	<u>98,800</u>

	2018	2018
	-----Rupees-----	
21 OTHER OPERATING EXPENSES		
Loss on disposal of property, plant & equipment	-	-
Impairment loss on TREC	-	-
Workers welfare fund	-	1,175,006
	<u>-</u>	<u>1,175,006</u>
22 FINANCE COST		
Mark-up on short term running finances	<u>3,484,824</u>	<u>14,056,676</u>
	<u>3,484,824</u>	<u>14,056,676</u>

Abul

Chief Executive

Mumtaz

Director