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Corporate Member, Pakistan Stock Exchange (Guarantee) Ltd.

ASDA Securities (Private) Limited

Un- Audited Financial Statements

For the period Quarterly March 31, 2018

ASDA Securities (Private) Limited

Balance Sheet

As at March 31, 2018

	Note	2018	2017
-----Rupees-----			
ASSETS			
Non-Current assets			
Property, Plant and Equipment	5	11,033,072	8,768,520
Intangible Assets	6	816,671	966,669
Long Term Investments	7	10,383,128	10,290,958
Long Term Loan to Staff		1,926,500	91,000
Long Term Deposits	8	1,505,109	1,505,109
		25,664,480	21,622,256
Current Assets			
Trade Debts	9	23,829,703	144,349,105
Loans and Advances	10	9,757,623	12,009,427
Trade Deposits and Prepayments	11	68,722,097	53,958,541
Short term investments	12	430,422,130	285,871,258
Cash and Bank Balances	13	12,530,760	12,513,349
		545,262,314	508,701,680
TOTAL ASSETS		570,926,793	530,323,936
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		80,389,960	104,553,457
		220,389,960	244,553,457
CURRENT LIABILITIES			
Trade and other payables	15	174,615,098	81,363,445
Accrued markup	16	3,933,632	3,041,060
Short term borrowings -secured	17	171,988,103	201,365,974
Provision for taxation - less payments		-	-
		350,536,833	285,770,479
Contingencies and commitments	18	-	-
		570,926,793	530,323,936

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 March 31, 2018

	Note	2018	2017
		-----Rupees-----	
Operating Revenues	19	23,696,868	45,868,664
Unrealized gain on remeasurement of listed shares		42,613,868	1,832,939
Unrealized gain on remeasurement of mutual fund		-	-
Realized Profit on sale of PSX shares		-	43,279,731
Realized Profit on sale of Listed Share		(59,307,389)	8,839,481
		7,003,346	99,820,815
Administrative Expenses	20	20,340,128	27,013,844
Other operating Expenses	21	-	1,175,006
Finance Cost	22	10,692,719	14,056,676
		31,032,847	42,245,526
Profit before taxation		(24,029,501)	57,575,289
Provision for taxation	23	-	(12,179,605)
Profit after taxation		(24,029,501)	45,395,684
Other Comprehensive Income			
Fair value gain on initial recognition of available for sale investments		368,679	25,134,303
Total Comprehensive Income		(23,660,822)	70,529,987
Earning Per Share - Basic and diluted		(1.69)	5.04

The annexed notes 1 to 32 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, 2018

	Issued, Subscribed and Paid up Capital	Un-appropriated Profit	Total
	-----Rupees-----		
Balance as at July 01, 2016	140,000,000	34,023,183	174,023,183
Total Comprehensive income for the year	-	70,530,274	70,530,274
Balance as at June 30, 2017	140,000,000	104,553,457	244,553,457
		(502,675)	
Total Comprehensive income for the year	-	(23,660,822)	(23,660,822)
Balance as at June 30 2017	140,000,000	80,389,960	220,892,635

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



Chief Executive



Director

Note 2018 2017
-----Rupees-----

6 INTANGIBLE ASSETS

Membership Entitlements

Pakistan Stock Exchange Limited TREC

Less : Impairment loss

'6.1 & 7.1	200,000	200,000
	-	-
	200,000	200,000

Computer Software

Computer software - Purchase Cost

less: Amortization during the year (1/5th amortization)

-	26,400
-	(26,400)
-	-

Computer software - Back office

less: Amortization during the year (1/5th amortization)

766,669	966,667
(149,999)	(199,998)
616,671	766,669
816,671	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

Less: Investment classified in short term investment

'6.1 & 7.1	41,532,512	41,163,833
	(31,149,384)	(30,872,875)
	10,383,128	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
	<u>1,505,109</u>	<u>1,505,109</u>

9 TRADE DEBTS

Unsecured

Considered Good	9.1	<u>23,829,703</u>	<u>144,349,105</u>
		<u>23,829,703</u>	<u>144,349,105</u>

9.1 This includes an amount of Rs.11,100,167 (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	758,146	42,422,103
Exceeding 5 days but not exceeding 14 days	3,654,818	36,751,991
	<u>4,412,964</u>	<u>79,174,094</u>
Exceeding 14 days against which listed securities held	19,416,739	65,175,011
Value after Hair cut applied on the basis of VAR	<u>336,211,241</u>	<u>23,017,744</u>

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

10 LOANS AND ADVANCES-Considered good, Unsecured

Current Portion of Long term loan to staff	39,500	9,000
Purchase of car - Honda Atlas Cars Ltd.	2,491,380	8,959,000
Advance Income tax - net of provisions	7,226,743	3,041,427
	<u>9,757,623</u>	<u>12,009,427</u>

11 TRADE DEPOSITS AND OTHER RECEIVABLES

Trade deposits - (NCCPL - Ready Exposure Margin)	1,100,000	500,000	
Trade deposits - (NCCPL - MTS Exposure Margin)	10,093,489	20,755,368	
Trade deposits - (NCCPL - Future Exposure / Losses in DFC)	9,383,240	4,848,900	
Receivable from Stock Exchange	4,925,402	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	9,348,714	924,663
MFS receivable	32,313,043		
Agent Payable Against Commission	1,558,210	-	
	<u>68,722,097</u>	<u>53,958,541</u>	

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

		2018	2017
		-----Rupees-----	
12	SHORT TERM INVESTMENTS		
	At fair value through profit or loss		
	In Listed Companies	12.1	399,272,746
	NIT Units - NIT Islamic Equity Fund	12.2	-
	Un-Listed Company - For New Subscription of Loads Ltd.		7,248,000
		399,272,746	254,998,383
	Available for Sale Investment:		
	Pakistan Stock Exchange Limited	7.1	31,149,384
		430,422,130	285,871,258
12.1	In Listed Shares		
	Cost of Investments including held under MTS	356,658,878	245,917,444
	Unrealized remeasurement gain	42,613,868	1,832,939
	Net Carrying Values being market values	399,272,746	247,750,383
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	-	-
	Value of shares held in CDC house or customers	584,630,362	755,859,847
	Value of shares under pledge house or Director	#REF!	430,775,240
	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	12,430,523	9,472,222
	NIB Bank Ltd (Client A/c) - Stock Exchange Br	49,386	25,950
	Meezan Bank Ltd (Client A/c) - Stock Exchange Br	23,810	115,810
	Cash at bank - Client's current accounts balances	12,503,719	12,486,308
	MCB Bank Ltd - K.S.E Branch	16,431	16,330
	NIB Bank Ltd (O/D) - K.S.E Branch	-	70,365
	Summit Bank Ltd - K.S.E Branch	1,000	1,000
	Meezan Bank Ltd (O/D) - K.S.E Branch	9,610	9,810
	Cash at bank - Current Accounts	27,041	27,041
		12,530,760	12,513,349
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)
	14,000,000	14,000,000	45,000,000
			95,000,000
			140,000,000

14.1 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. Aznim Bilwani	25.00%	3,500,000
4. Mr. Muhammad Rafiq	15.00%	2,100,000
5. Others less than 5 %	0.01%	1,000
	<u>100%</u>	<u>14,000,000</u>

There is no change in shareholding from the corresponding period.

		2018	2017
-----Rupees-----			
15 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	15.1	15,423,078	12,481,743
MTS unreleased payable		157,004,771	61,181,912
		<u>172,427,849</u>	<u>73,663,655</u>
Traders share in commission payable	15.2	582,578	6,232,047
Accrued Expenses		338,768	237,960
Other Liabilities	15.3	1,265,902	1,229,782
		<u>174,615,098</u>	<u>81,363,445</u>
15.1	This includes an amount of Rs.6,640 (2016: Rs. 20,343) payable to director.		
15.2	This includes Rs. 4,742,193 (2016: Rs. Nil) payable to Chief Executive.		
15.3 Other Liabilities			
Withholding tax		5,966	-
Sindh sales tax on IPO Income		32,178	26,299
Sindh sales tax on commission		398,839	374,564
Workers welfare fund	15.2.1	828,919	828,919
		<u>1,265,902</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		3,933,632	3,041,060
17 SHORT TERM BORROWINGS -Secured			
Secured, Markup Bearing			
Running finances from bank	17.1	171,988,103	201,365,974
		<u>171,988,103</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.		
		150,147,725	139,780,637
		#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	2017
	-----Rupees-----	
19 OPERATING REVENUES		
Brokerage Revenue - Securities - net of brokerage shares	19.1 16,410,373	61,686,286
Income From Exposure Deposits NCCPL - MTS	258,592	505,760
Income From Exposure Deposits NCCPL - RMS	112,110	174,710
Income From New script Commission (IPO)	64,557	25,500
Income From Cash Exposure Margin	6,964	-
	<u>16,852,596</u>	<u>62,392,256</u>
Less: Trader's shares in brokerage	-	(20,832,004)
	<u>16,852,596</u>	<u>41,560,252</u>
Dividend Income	6,844,272	4,308,412
	<u>23,696,868</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	8,417,500	9,769,004
Fees, subscription and charges	2,768,840	5,186,662
Communication	261,720	386,645
Conveyance and Travelling Expenses	2,651,640	2,145,660
KSE IT and Kats	228,550	273,681
Utilities	265,383	175,290
Office repairs and maintenance	780,893	3,508,586
Software Maintenance	829,527	303,830
General Expenses	1,222,129	807,203
Printing and stationery / Courier Service	38,300	35,813
Rent, rates & Taxes	-	171,336
Computer Expenses	169,150	267,822
Insurance	-	46,500
Entertainment	551,849	438,159
Mobile Expenses	-	342,000
Shared cost of PSX IPO	-	442,245
Donation	500,000	1,425,000
Amortization of Intangibles	149,999	226,398
Depreciation	1,255,448	963,210
Auditors' Remuneration	20.1 249,200	98,800
	<u>20,340,128</u>	<u>27,013,844</u>
20.1 Auditors' Remuneration		
Audit fees	249,200	50,000
Certifications fees	-	48,800
	<u>249,200</u>	<u>98,800</u>

	2018	2017
	-----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>10,692,719</u>	<u>14,056,676</u>
	<u>10,692,719</u>	<u>14,056,676</u>



Chief Executive



Director