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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 2017**

## ASDA Securities (Private) Limited

## Balance Sheet

As at September 30 2017

	Note	2017	2017
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	5	13,675,742	8,768,520
Intangible Assets	6	916,670	966,669
Long Term Investments	7	10,290,958	10,290,958
Long Term Loan to Staff		306,500	91,000
Long Term Deposits	8	1,505,109	1,505,109
		26,694,979	21,622,256
<b>Current Assets</b>			
Trade Debts	9	67,346,179	144,349,105
Loans and Advances	10	8,122,100	12,009,427
Trade Deposits and Prepayments	11	32,191,598	53,958,541
Short term investments	12	315,483,201	285,871,258
Cash and Bank Balances	13	7,343,882	12,513,349
		430,486,960	508,701,680
<b>TOTAL ASSETS</b>		<b>457,181,939</b>	<b>530,323,936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
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		90,792,548	104,553,457
		230,792,548	244,553,457
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	74,022,166	81,363,445
Accrued markup	16	3,079,576	3,041,060
Short term borrowings -secured	17	149,287,648	201,365,974
Provision for taxation - less payments		-	-
		226,389,391	285,770,479
<b>Contingencies and commitments</b>	18	-	-
		457,181,939	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 September 30, 2017**

	Note	2017	2016
-----Rupees-----			
Operating Revenues	19	5,184,783	45,868,664
Unrealized gain on remeasurement of listed shares		(105,158)	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		(8,632,209)	8,839,481
		(3,552,584)	99,820,815
Administrative Expenses	20	6,626,073	27,013,844
Other operating Expenses	21	-	1,175,006
Finance Cost	22	3,079,577	14,056,676
		9,705,650	42,245,526
<b>Profit before taxation</b>		<b>(13,258,234)</b>	<b>57,575,289</b>
Provision for taxation	23	-	(12,179,605)
<b>Profit after taxation</b>		<b>(13,258,234)</b>	<b>45,395,684</b>
<b>Other Comprehensive Income</b>			
Fair value gain on initial recognition of available for sale investments			25,134,303
<b>Total Comprehensive Income</b>		<b>(13,258,234)</b>	<b>70,529,987</b>
<b>Earning Per Share - Basic and diluted</b>		<b>(0.95)</b>	<b>5.04</b>

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 September 30, 2017**

	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
Total Comprehensive income for the year	-	(502,675) (13,258,234)	(13,258,234)
<b>Balance as at September 30 2017</b>	<b>140,000,000</b>	<b>90,792,548</b>	<b>231,295,223</b>

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

  
**Chief Executive**

  
**Director**

	Note	2017	2016
-----Rupees-----			
<b>6 INTANGIBLE ASSETS</b>			
Membership Entitlements			
Pakistan Stock Exchange Limited TREC	'6.1 & 7.1	200,000	200,000
Less : Impairment loss		-	-
		<b>200,000</b>	<b>200,000</b>
<b>Computer Software</b>			
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)		(50,000)	(199,998)
		<b>716,670</b>	<b>766,669</b>
		<b>916,670</b>	<b>966,669</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			
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)
		<b>10,290,958</b>	<b>10,290,958</b>

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.

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

<b>Unsecured</b>		
Considered Good	9.1	
	<u>67,346,179</u>	<u>144,349,105</u>
	<u>67,346,179</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	42,422,103	42,422,103
Exceeding 5 days but not exceeding 14 days	36,751,991	36,751,991
	<u>79,174,094</u>	<u>79,174,094</u>
Exceeding 14 days against which listed securities held	(11,827,915)	65,175,011
Value after Hair cut applied on the basis of VAR	<u>23,017,744</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	81,000	9,000
Purchase of car - Honda Atlas Cars Ltd.	5,166,000	8,959,000
Advance Income tax - net of provisions	2,875,100	3,041,427
	<u>8,122,100</u>	<u>12,009,427</u>

#### 11 TRADE DEPOSITS AND OTHER RECEIVABLES

Trade deposits - ( NCCPL - Ready Exposure Margin )	-	500,000
Trade deposits - ( NCCPL - MTS Exposure Margin )	2,685,970	20,755,368
Trade deposits - ( NCCPL - Future Exposure / Losses in DFC )	7,288,227	4,848,900
Receivable from Stock Exchange	4,925,401	4,488,268
Receivable from PSX Proceed of 20% Shares	-	22,441,342
Receivable from NCPL	-	-
Other Receivable from Chief Executive	11.1	17,292,000
Sales tax input - SRB	-	-
MFS Trades	-	-
	<u>32,191,598</u>	<u>53,958,541</u>

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

		2017	2016
		-----Rupees-----	
<b>12</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>At fair value through profit or loss</b>		
	In Listed Companies	12.1 284,610,326	247,750,383
	NIT Units - NIT Islamic Equity Fund	12.2 -	-
	Un-Listed Company - For New Subscription of Loads Ltd.	-	7,248,000
		<u>284,610,326</u>	<u>254,998,383</u>
	<b>Available for Sale Investment:</b>		
	Pakistan Stock Exchange Limited	7.1 30,872,875	30,872,875
		<u>315,483,201</u>	<u>285,871,258</u>
<b>12.1</b>	<b>In Listed Shares</b>		
	Cost of Investments including held under MTS	284,715,484	245,917,444
	Unrealized remeasurement gain	(105,158)	1,832,939
	Net Carrying Values being market values	<u>284,610,326</u>	<u>247,750,383</u>
<b>12.2</b>	<b>In Mutual Fund - NIT Islamic Equity Fund</b>		
	Opening	-	1,043,000
	Disposed during the year	-	(1,043,000)
	Unrealized remeasurement gain	-	-
	Net Carrying Values being Net Asset values	<u>-</u>	<u>-</u>
	Value of shares held in CDC house or customers	755,859,847	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.

<b>13</b>	<b>CASH AND BANK BALANCES</b>		
	Js Bank Ltd - K.S.E Branch (Client A/c) - Stock Exchange Br	7,243,645	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	<u>7,316,841</u>	<u>12,486,308</u>
	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	<u>27,041</u>	<u>27,041</u>
		<u>7,343,882</u>	<u>12,513,349</u>

		2017	2016		
<b>14</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
	<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
	<u>14,000,000</u>	<u>14,000,000</u>		<u>140,000,000</u>	<u>140,000,000</u>

**14.1 Pattern of shareholding****Name of share holders**

1. Mr. Aftab Sattar
2. Mr. Abdul Rauf
3. Mr. Aznim Bilwani
4. Mr. Muhammad Rafiq
5. Others less than 5 %

% of Holding	No of shares
49.99%	6,999,000
10.00%	1,400,000
25.00%	3,500,000
15.00%	2,100,000
0.01%	1,000
<b>100%</b>	<b>14,000,000</b>

There is no change in shareholding from the corresponding period.

**15 TRADE AND OTHER PAYABLES**

		2017	2016
		-----Rupees-----	
Creditors for sale of shares on behalf of clients	15.1	7,316,842	12,481,743
MTS unreleased payable		63,327,090	61,181,912
		<b>70,643,933</b>	73,663,655
Traders share in commission payable	15.2	2,084,142	6,232,047
Accrued Expenses		150,863	237,960
Other Liabilities	15.3	1,143,228	1,229,782
		<b>74,022,166</b>	<b>81,363,445</b>

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		5,883	-
Sindh sales tax on IPO Income		32,178	26,299
Sindh sales tax on commission		179,424	374,564
CGT NCCPL Payable		96,825	
Workers welfare fund	15.2.1	828,919	828,919
		<b>1,143,228</b>	<b>1,229,782</b>

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		3,079,576	3,041,060
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**17 SHORT TERM BORROWINGS -Secured****Secured, Markup Bearing**

Running finances from bank	17.1	149,287,648	201,365,974
		<b>149,287,648</b>	<b>201,365,974</b>

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 points 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	-	139,780,637
Value of shares under pledge with lending banks - Director	-	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.

	2017	2016
	-----Rupees-----	
<b>19 OPERATING REVENUES</b>		
Brokerage Revenue - Securities - net of brokerage shares	19.1 4,452,031	61,686,286
Income From Exposure Deposits NCCPL	173,274	505,760
Income From Exposure Deposits PSX	55,082	174,710
Income From New script Commission (IPO)	63,782	25,500
Income From Cash Exposure Margin	6,964	-
	4,751,133	62,392,256
Less: Trader's shares in brokerage	-	(20,832,004)
	4,751,133	41,560,252
Dividend Income	433,650	4,308,412
	<u>5,184,783</u>	<u>45,868,664</u>
<b>19.1 Brokerage revenue:</b>		
From Proprietary trade	31,785,236	31,785,236
From Retail customers	29,052,662	29,052,662
From Institutional customers	848,388	848,388
	<u>61,686,286</u>	<u>61,686,286</u>
Comparative figures are not available as disclosure regime has been applied for the first time.		
<b>20 ADMINISTRATIVE AND OPERATING EXPENSES</b>		
Salaries and benefits	2,567,500	9,769,004
Fees, subscription and charges	877,145	5,186,662
Communication	68,991	386,645
Conveyance and Travelling Expenses	1,119,100	2,145,660
KSE IT and Kats	-	273,681
Utilities	-	175,290
Office repairs and maintenance	390,160	3,508,586
Software Maintenance	-	303,830
General Expenses	485,285	807,203
Printing and stationery / Courier Service	8,000	35,813
Rent, rates & Taxes	-	171,336
Computer Expenses	-	267,822
Insurance	-	46,500
Entertainment	210,714	438,159
Mobile Expenses	-	342,000
Shared cost of PSX IPO	-	442,245
Donation	500,000	1,425,000
Amortization of Intangibles	50,000	226,398
Depreciation	312,778	963,210
Auditors' Remuneration	20.1 36,400	98,800
	<u>6,626,073</u>	<u>27,013,844</u>
<b>20.1 Auditors' Remuneration</b>		
Audit fees	-	50,000
Certifications fees	36,400	48,800
	<u>36,400</u>	<u>98,800</u>

2017 2016

-----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>3,079,577</u>	<u>14,056,676</u>
<u>3,079,577</u>	<u>14,056,676</u>



Chief Executive



Director