

**ASDA SECURITIES (PRIVATE) LIMITED
REVIEW REPORT ON STATEMENT OF LIQUID CAPITAL
FOR THE PERIOD ENDED DECEMBER 31, 2023**

Suite No. 1601, 16th Floor, Kashif Centre, Shahr-e-Faisal, Karachi. Phone: 92-21-35640050 – 52
Website: www.krestonhb.com E-mail: hyderbhimji@krestonhbco.com info@krestonhbco.com

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REVIEW REPORT ON STATEMENT OF LIQUID CAPITAL

Chief Executive Officer of ASDA Securities (Private) Limited (Securities Broker),

Opinion

We have reviewed the accompanying Statement of Liquid Capital of **ASDA Securities (Private) Limited** (the Securities Broker), as at **December 31, 2023** (here-in-after referred to as the "the Statement"). Management is responsible for the preparation of the statement in accordance with the requirements of the Schedule III of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement is not prepared, in all material respects, in accordance with the requirement of Schedule III of the Regulations.

Other Matters – Restriction on Distribution and use

Our report is intended solely for **ASDA Securities (Private) Limited** (the Securities Broker), SECP, Pakistan Stock Exchange Ltd and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent review report is Shaikh Mohammad Tanvir.



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Karachi: the March 01, 2024

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	Advances and receivables other than trade Receivables; (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. (ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation . (iii) In all other cases 100% of net value	1,124,000	1,124,000	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	11,969,325	11,969,325	-
1.17	Receivables from customers i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i> ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i> iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i> iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i> v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i> vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>			
		6,030,006		6,030,006
		39,485,075	251,524	39,233,551
		21,450,750	7,846,719	13,604,031

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	24,903		24,903
	ii. Bank balance-customer accounts	20,149,696		20,149,696
	iii. Cash in hand			
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	(i) No haircut October be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.			
1.20	Total Assets	696,898,099	147,275,499	549,622,600

2. Liabilities

2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products	116,967,697		116,967,697
	iii. Payable to customers	20,150,035		20,150,035
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	3,627,564	-	3,627,564
	iii. Short-term borrowings	272,443,847	-	272,443,847
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for taxation	5,620,589	-	5,620,589
	viii. Other liabilities as per accounting principles and included in the financial statements	18,760,115	-	18,760,115
2.3	Non-Current Liabilities			
	i. Long-Term financing			
	ii. Other liabilities as per accounting principles and included in the financial statements			
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	17,500,000	(17,500,000)	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.5	Advance against shares for Increase in Capital of Securities broker: 100% haircut October be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	Total Liabilities	455,069,847	(17,500,000)	437,569,847

3. Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each finance from aggregate amount shall be included in the ranking liabilities			
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
3.3	Net underwriting Commitments (a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment			
	(b) in any other case : 12.5% of the net underwriting commitments			

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of finance/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security			
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	Short sell positions i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	Total Ranking Liabilities	-	-	-
Calculations Summary of Liquid Capital		241,828,252	164,775,499	112,052,753

- (i) Adjusted value of Assets (serial number 1.20)
(ii) Less: Adjusted value of liabilities (serial number 2.6)
(iii) Less: Total ranking liabilities (series number 3.11)

549,622,600
(437,569,847)
-
112,052,753


Chief Executive




Director