
ASIAN SECURITIES LIMITED

Financial Statements
For the year ended June 30, 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIAN SECURITIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Asian Securities Limited** which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss, statement of other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 as at the date on which the balance sheet was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Yameen**.



Reanda Haroon Zakaria & Company
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi

Dated: September 5, 2019

ASIAN SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

<u>ASSETS</u>	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i> (Restated)	<i>2017</i> <i>Rupees</i> (Restated)
Non-Current Assets				
Property and equipment	4	4,945,841	7,177,713	9,876,903
Intangible assets	5	3,187,000	3,437,000	3,437,000
Long term investment	6	-	19,786,459	41,163,833
Long term deposits	7	3,040,007	2,930,007	2,930,007
Deferred tax	8	-	-	-
		11,172,848	33,331,179	57,407,743
Current Assets				
Trade debts	9	9,590	3,093,210	12,290
Tax refund due from government	10	945,710	-	10,891,105
Advances and prepayments	11	441,215	847,322	5,399,770
Short term investment	12	737,445,506	1,133,953,084	1,670,957,443
Cash and bank balances	13	76,208,443	55,415,291	78,021,499
		815,050,464	1,193,308,907	1,765,282,107
Total Assets		826,223,312	1,226,640,086	1,822,689,850
 <u>EQUITY AND LIABILITY</u>				
Share Capital and Reserve				
Authorized capital				
10,000,000 Ordinary shares of Rs.10 each		100,000,000	100,000,000	100,000,000
Issued, subscribed and paid-up capital	14	100,000,000	100,000,000	100,000,000
Capital reserve		7,000,000	7,000,000	7,000,000
Unappropriated profit		711,675,051	1,114,818,890	1,713,334,077
		818,675,051	1,221,818,890	1,820,334,077
Current Liabilities				
Trade and other payables	15	7,548,261	4,602,056	2,355,773
Tax payable	10	-	219,140	-
		7,548,261	4,821,196	2,355,773
Contingencies and Commitments				
Total Equities and Liabilities	16	826,223,312	1,226,640,086	1,822,689,850

The annexed notes form an integral part of these financial statements


 Chief Executive


 Director


ASIAN SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i> <i>(Restated)</i>
Operating revenue	17	80,725,165	220,324,443
Loss on re-measurement of investments carried at fair value through profit or loss - net		<u>(252,138,741)</u>	<u>(377,742,375)</u>
		<u>(171,413,576)</u>	<u>(157,417,932)</u>
Administrative expenses	18	24,141,587	28,901,093
Finance cost	19	66,161	65,082
		24,207,748	28,966,175
Other non-operating revenue	20	<u>4,388,259</u>	<u>9,605,106</u>
Loss before taxation		<u>(191,233,065)</u>	<u>(176,779,001)</u>
Taxation	21	<u>11,910,774</u>	<u>21,736,186</u>
Loss after taxation		<u><u>(203,143,839)</u></u>	<u><u>(198,515,187)</u></u>

The annexed notes form an integral part of these accounts.



Chief Executive



Director


ASIAN SECURITIES LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees (Restated)
Loss for the year	(203,143,839)	(198,515,187)
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit and loss account</i>		
Loss on re-measurement of investments available for sale	-	-
Total comprehensive loss for the year	<u>(203,143,839)</u>	<u>(198,515,187)</u>

The annexed notes form an integral part of these financial statements.



Chief Executive



Director

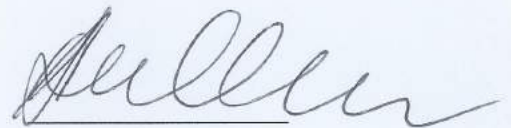
ASIAN SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	<i>Issued , Subscribed & Paid up Capital</i>	<i>Capital Reserve</i>	<i>Unrealised gain / (loss) on remeasurement of available for sale investment</i>	<i>Unappropriated profit</i>	<i>Total</i>
	----- Rupees -----				
Balance as on June 30, 2017 as previously reported	100,000,000	7,000,000	38,558,633	1,674,775,444	1,820,334,077
Effect of change in accounting policy	-	-	(38,558,633)	38,558,633	-
Balance as at July 01, 2017 as restated	100,000,000	7,000,000	-	1,713,334,077	1,820,334,077
Total comprehensive income for the year					
Loss after taxation for the year ended June 30, 2018 - (Restated)	-	-	-	(198,515,187)	(198,515,187)
Interim dividends @ Rs. 40 per share for the year ended June 30, 2018	-	-	-	(400,000,000)	(400,000,000)
Balance as on June 30, 2018 as restated	100,000,000	7,000,000	-	1,114,818,890	1,221,818,890
Total comprehensive income for the year					
Loss after taxation for the year ended June 30, 2019	-	-	-	(203,143,839)	(203,143,839)
Interim dividends @ Rs. 20 per share for the year ended June 30, 2019	-	-	-	(200,000,000)	(200,000,000)
Balance as on June 30, 2019	100,000,000	7,000,000	-	711,675,051	818,675,051

The annexed notes form an integral part of these financial statements.



Chief Executive



Director

ASIAN SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	<i>2019</i>	<i>2018</i>
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(191,233,065)	(176,779,001)
Adjustments for :		
Depreciation	2,350,537	2,838,621
Gain on sale of property, plant and equipment	(10,180)	(2,650)
Dividend	(74,060,303)	(42,265,025)
Gain on disposal of investment	(5,196,686)	(176,289,899)
Loss on re-measurement of investments carried at fair value through profit or loss - net	252,138,741	377,742,375
	175,222,109	162,023,422
Loss before working capital changes	(16,010,956)	(14,755,579)
Changes in Working Capital:		
Decrease / (Increase) in current assets		
Trade debts	3,083,620	(3,080,920)
Advances and prepayments	406,107	4,552,448
Intangible assets	250,000	-
Long term deposits	(110,000)	-
	3,629,727	1,471,528
Increase/(Decrease) in Current Liabilities		
Trade and other payables	2,946,205	2,246,283
	6,575,932	3,717,811
Cash used in operations	(9,435,024)	(11,037,768)
Income tax paid	(13,075,624)	(10,625,941)
Net cash used in operating activities	(22,510,648)	(21,663,709)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(118,665)	(150,260)
Dividend received	74,060,303	42,265,025
Proceeds from disposal of investment - net	169,351,982	356,929,257
Proceeds from disposal of property and equipment	10,180	13,479
Net cash generated from investing activities	243,303,800	399,057,501

2019
Rupees

2018
Rupees

C. CASH FLOW FROM FINANCING ACTIVITIES

Interim dividends paid	(200,000,000)	(400,000,000)
Net cash used in financing activities	(200,000,000)	(400,000,000)
Net increased / (decrease) in cash & cash equivalents	20,793,152	(22,606,208)
Cash and cash equivalents at the beginning of the year	55,415,291	78,021,499
Cash and cash equivalents at the end of the year	76,208,443	55,415,291

The annexed notes form an integral part of these financial statements.



Chief Executive



Director