

INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of Fikree's (Private) Limited

Opinion

We have audited the Statement of Net Capital Balance of Fikree's (Private) Limited and notes to the Statement of Net Capital Balance as at June 30, 2019 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2019 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

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 statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 1.2 to the statement, which describes the basis of accounting. The statement is prepared to assist the Fikree's (Private) Limited to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for Fikree's (Private) Limited, SECP, PSX and NCCPL and should not be distributed to parties other than Fikree's (Private) Limited or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and the SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

WHC



Auditor's Responsibilities for the Audit of the statement

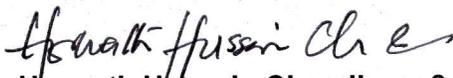
Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 this statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Najeeb Moochhala.



Horwath Hussain Chaudhury & Co.

Karachi

Date:

16 SEP 2019

FIKREE'S (PRIVATE) LIMITED
NET CAPITAL BALANCE CERTIFICATE
AS AT JUNE 30, 2019

CALCULATION OF CAPITAL FOR THE PURPOSES OF
 RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Note	2019 Rupees
CURRENT ASSETS		
Cash in Hand and Bank Balances		
Cash deposits with:		
- National Clearing Company of Pakistan Limited		17,223,185
In hand		17,223,185
Bank balance(s) pertaining to brokerage house	2	275
Bank balance(s) pertaining to clients	3	267,022
		267,297
		17,490,482
Trade Receivables	4	4,283,842
Investments in Listed Securities in the Name of Brokerage House		
Securities on the exposure list marked to market		80,817,612
Less: 15% discount		(12,122,642)
		68,694,970
Securities Purchase for Clients		
Listed TFCs/ Corporate Bonds		
Marked to market		-
Less: 10% discount		-
		-
PIBs		
Marked to market		-
Less: 5% discount		-
		-
Treasury Bill		
At market value		-
		90,469,293
CURRENT LIABILITIES		
Trade Payables		
Book value	5	266,216
Less: Over due for more than 30 days		(175,481)
		90,735
Other Liabilities	6	26,529,277
		26,620,012
Less : Amount segregated for minimum Net Capital Balance of National Commodity Exchange Limited		-
NET CAPITAL BALANCE		63,849,280

Chief Executive Officer

Amjad Khan

Director

Qasim Fikree

HHC



FIKREE'S (PRIVATE) LIMITED
NET CAPITAL BALANCE CERTIFICATE
AS AT JUNE 30, 2019

NOTES TO CALCULATION OF CAPITAL FOR THE PURPOSES OF
 RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

Note 1

1.1 The Company and its Operations

The Company was incorporated as a private limited company under the Companies Ordinance, 1984. The Company is a corporate member of the Pakistan Stock Exchange Limited. The principal activities of the company include share brokerage, portfolio management, investment advisory and consultancy services, underwriting and other related services.

1.2 Basis of accounting

This statement has been prepared on historical cost basis except for investments in listed securities which are stated at fair value less 15% discount.

Note 2

Bank Balance(s) pertaining to Brokerage House

	June 30, 2019
	Rupees
- Habib Metropolitan Bank	100
- Bank Al Habib	175
	275

Note 3

Bank Balance(s) pertaining to Clients

	June 30, 2019
	Rupees
Cash at bank - Clients	
- Habib Metropolitan Bank	267,022
	267,022

Note 4

Trade Receivables

	June 30, 2019
	Rupees
Book value	82,534,978
Less: Over due for more than 14 days	(78,251,136)
	4,283,842

Trade receivable aging is derived on transaction basis and not on overall basis. Further, First in First Out (FIFO) basis used reflecting position upto 14 days of the reporting date of NCB.



Note 5
Trade Payables

June 30, 2019

Rupees

Book value	266,216
Less: Over due for more than 30 days	<u>(175,481)</u>
	<u><u>90,735</u></u>

Payables overdue by 30 days amounting to Rs. Nil are deducted from total trade payables and are included in other liabilities, if any.

Note 6
Other Liabilities

June 30, 2019

Rupees

Trade payables overdue for more than 30 days	175,481
Running finance facility from:	
- Habib Metropolitan Bank Limited	22,050,541
Other liabilities	<u>4,303,255</u>
	<u><u>26,529,277</u></u>

Note 7
General

Figures have been rounded off to the nearest rupee.

Note 8
Authorization

These notes have been extracted by the management for the underlying record as on June 30, 2019.

Chief Executive Officer

[Handwritten Signature]

Director

[Handwritten Signature]

HHC

