

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 December 31, 2018 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2018 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.

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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.



Horwath Hussain Chaudhury & Co.

Engagement partner: Najeeb Moochhala

Karachi

Date:

MAR 2019
14 MAR 2019

FIKREE'S (PRIVATE) LIMITED
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2018

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

	Note	2018 Rupees
CURRENT ASSETS		
Cash in Hand and Bank Balances		
Cash deposits with:		
- Pakistan Stock Exchange Limited		8,197,920
- National Clearing Company of Pakistan Limited		-
In hand		8,197,920
Bank balance(s) pertaining to brokerage house	2	268
Bank balance(s) pertaining to clients	3	306,364
		306,632
		8,504,552
Trade Receivables		
Book value	4	43,855
Less: Over due for more than 14 days		-
		43,855
Investments in Listed Securities in the Name of Brokerage House		
Securities on the exposure list marked to market		239,770,550
Less: 15% discount		(35,965,583)
		203,804,967
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		-
		-
		212,353,374
CURRENT LIABILITIES		
Trade Payables		
Book value	5	305,050
Less: Over due for more than 30 days		-
		305,050
Other Liabilities		
	6	157,010,203
		157,315,253
Less : Amount segregated for minimum Net Capital Balance of National Commodity Exchange Limited		-
NET CAPITAL BALANCE		55,038,121

Director _____



FIKREE'S (PRIVATE) LIMITED
NET CAPITAL BALANCE CERTIFICATE
AS AT DECEMBER 31, 2018

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

Note 1

The Company and its Operations

The Company was incorporated as a smc-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 excepts for investment in listed securities which are stated at fair value less 15% discounts

Note 2

Bank Balance(s) pertaining to Brokerage House

	December 31, 2018
	Rupees
- Bank Al Habib Limited	100
- Habib Metropolitan Bank Limited	168
	268

Note 3

Bank Balance(s) pertaining to Clients

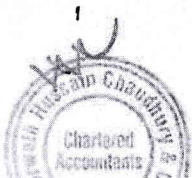
	December 31, 2018
	Rupees
Cash at bank - Clients	
- Habib Metropolitan Bank Limited	306,364
	306,364

Note 4

Trade Receivables

	December 31, 2018
	Rupees
Book value	43,855
Less: Over due for more than 14 days	-
	43,855

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.



FIKREE'S (PRIVATE) LIMITED

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Notes to Calculation of Capital for the Purposes of Rule 2(D) of Securities and Exchange Rules, 1971

Note 5

Trade Payables

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

Note 6

Other Liabilities

	December 31, 2018
	Rupees
Trade payables overdue for more than 30 days	-
Running finance facility from:	
- Habib Metropolitan Bank Limited	155,019,949
Markup payable	-
Federal excise duty payable	-
Other liabilities	1,990,254
	<u>157,010,203</u>

Note 7

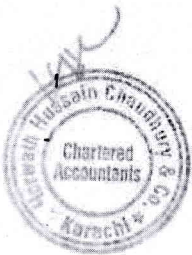
General

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 December 31, 2018.



Director _____