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Independent Auditors Report on Statement of Net Capital Balance of the Securities Brokers / Brokerage House

To the Board of Directors of Falki Capital (Private) Limited

We have audited the accompanying Statement of Net Capital Balance of **Falki Capital (Private) Limited** (Company) as at June 30, 2019 ("the statement"). The statement has been prepared by management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 and the Securities Brokers (licensing and Operations) Regulations 2016 (Regulations).

Management's Responsibility for the Statement

Management is responsible for the preparation of the statement in accordance with SEC Rules 1971 and Regulations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

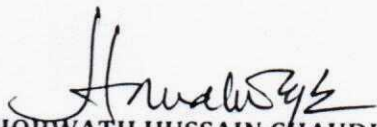
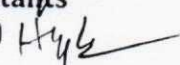
Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of **Falki Capital (Private) Limited** as at June 30, 2019 is prepared, in all material respects, in accordance with SEC Rules 1971 and Regulations.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist **Falki Capital (Private) Limited** to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for **Falki Capital (Private) Limited** and SECP and should not be distributed to parties other than **Falki Capital (Private) Limited** or SECP.


HORWATH HUSSAIN CHAUDHURY & CO
Chartered Accountants
Shahzad Qazi (FCA) 

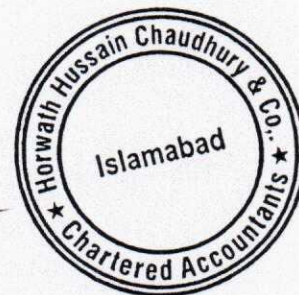
Date: 06 SEP 2019
Islamabad



FALKI CAPITAL (PRIVATE) LIMITED
NET CAPITAL BALANCE
AS AT JUNE 30, 2019

		Valuation basis	Amount
A-Description of Current Assets			
1. Cash in hand or in bank	As per book value		10,935,717
2. Trade Receivables	Book Value less those overdue for more than fourteen days		79,895
3. Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount		-
4. Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days		212,645
5. Listed TFCs/ Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to Market less 10% discount		-
6. FIBs	Marked to Market less 5% discount		-
7. Treasury Bill	At market value		-
8. Any other current asset specified by the Commission	As per the valuation basis determined by the Commission		4,044,595
Total Assets			<u>15,272,852</u>
B-Description of Current liabilities			
1. Trade payables	Book Value less those overdue for more than 30 days		2,932,359
2. Other liabilities	As classified under the generally accepted accounting principles		6,536,263
Total Liabilities			<u>9,468,622</u>
Net Capital Balance			<u>5,804,230</u>

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CHIEF EXECUTIVE



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DIRECTOR

FALKI CAPITAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL BALANCE
AS AT JUNE 30, 2019

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on June 8th 2006 as a private limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017).

The main business of the company is to assist, regulate or control the business of buying, selling securities, facilitating public securities and to initiate activities in relation to stock exchange and money market etc. The registered office of the Company is situated at Flat 1, 1st floor plaza 61-d, Chaklala Scheme III, Commercial area Rawalpindi.

2 BASIS OF PREPARATION

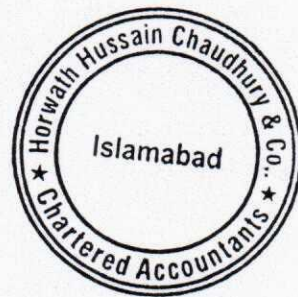
These statements have been prepared under the historical cost convention.

3 MARKETABLE SECURITIES

It represents account balance maintained in central depository (CDC) against following securities.

Security Name	Position Owned/available	Value
Islamabad Stock Exchange (PLEGGED WITH PSX)	3,034,603	30,346,030
	30,464,110	30,346,030
Less: Unsaleable Shares of Islamabad Stock Exchange Limited		(30,346,030)
Less: 15% of Marketable Securities		-
Marketable Securities		-

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CHIEF EXECUTIVE



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DIRECTOR