



October 27, 2023

1516

Chief Executive Officer  
Kashf Foundation  
Lahore

Dear Madam

**AUDITOR'S CERTIFICATE WITH RESPECT TO THE MAINTENANCE OF SECURITY COVER IN RESPECT OF RATED, SECURED AND PRIVATELY PLACED TERM FINANCE CERTIFICATES AS AT JUNE 30, 2023**

We have been requested by Kashf Foundation (the Company / Issuer), being their Statutory Auditor, to provide them with a certificate on the annexed statement related to the maintenance of security cover in respect of the rated, secured and Privately Placed Term Finance Certificates (PPTFCs) issued by the Company as at June 30, 2023 in accordance with the regulation 5C.8 (xii) (g) of Pakistan Stock Exchange Limited Regulations (the Regulations).

**Scope of Certificate**

The regulations require the Company to furnish a certificate from its auditors, on annual basis, regarding maintenance of one hundred and twenty five percent (125%) security cover in respect of the secured debt security.

Our certification will be issued in accordance with the "Guidelines for the issue of certificates by Practicing Chartered Accountant Firms" issued by the institute of Chartered Accountants of Pakistan. This certification performed by us is not an audit, review or other assurance engagement and consequently, we will not express an opinion or an assurance conclusion. In performing the engagement, we will comply 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).

**Management's Responsibility**

It is management's responsibility to fulfill all the requirements applicable on the Issuer contained in the Regulations for the maintenance of one hundred and twenty five percent (125%) security cover as at June 30, 2023. It is the responsibility of the management of the Company to provide us with the documents evidencing the compliance with the matters stated in the scope of the engagement paragraph. The management's responsibilities include maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevention and detection of frauds and irregularities. The management is also responsible for providing all the details and information to the auditors for the purposes of this certificate. Further, the management is responsible to ensure compliance with the requirements of all the applicable laws and regulations in connection with the secured, rated and privately placed Term Finance Certificates. This certification does not relieve the management of its responsibilities. It has been assumed by us that all information and representation provided to us by the management are genuine without any omission.

**Auditor's Responsibility**

Our responsibility is to provide a certificate on the annexed statement in connection with the matters as stated in the 'Scope of Certificate' paragraph above in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

۷۱

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.  
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk



A.F.FERGUSON & CO.

- Compare the amount of PPTFCs outstanding as at June 30, 2023 as mentioned in the annexed statement, with the audited financial statements of the Company for year ended 30 June 2023.
- Compare the amount of security cover as mentioned in annexed statement, with 'Certificate of Registration of Mortgage' number ARL/4927 dated September 23, 2019 issued by Securities Exchange Commission of Pakistan (SECP) and 'Search Report' reference number Tech-Nixx/2023/K-5557-06/ dated June 27, 2023 prepared by Tech-Nixx Credit and Business Information for the Company; and
- Recalculate the security cover as percentage of amount of PPTFCs by dividing security cover with amount of PPTFCs outstanding as at June 30 2023 to check that one hundred and twenty five percent (125%) security cover in respect of PPTFCs has been maintained.

#### **Certificate**

With respect to the procedures performed by us as mentioned above, we certify that the annexed statement with regard to the maintenance of security cover in respect of secured and privately placed Term Finance Certificates is in compliance with the regulation 5C.8 (xii) (g) of Pakistan Stock Exchange Limited Regulations.

#### **Restriction on use and distribution**

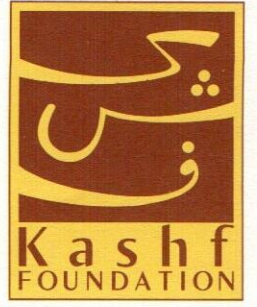
This letter is being issued in capacity of statutory auditor of the Company and on the specific request of the management of the Company for onwards submission to the Pakistan Stock Exchange Limited. Accordingly, this should not be distributed to any other third party without our prior written consent. Our certificate is solely for the purpose set forth in the first paragraph of this certificate and is restricted to the facts stated herein and the attachments.

Yours truly

**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Lahore**

encls





**STATEMENT OF MAINTENANCE OF REDEMPTION MONEY IN THE REDEMPTION RESERVE ACCOUNT In RESPECT TO THE PRIVATELY PLACED TERM FINANCE CERTIFICATES ISSUED BY KASHF FOUNDATION**

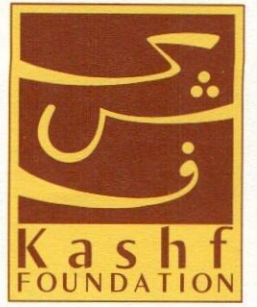
1. Kashf Foundation is responsible for the maintenance of an amount in the redemption reserve account in respect of rated, secured and privately placed term finance certificates as at June 30, 2023 equal to the payment obligations that are becoming due at the end of such payment period unless a higher amount is notified by the trustee to the accounts Bank and the issuer at least 90 (ninety) days before such payment period. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the maintenance and provision of records such that they are free from material misstatements, whether due to fraud or error.
2. Kashf Foundation has maintained in the redemption reserve account, having account number '20000540208' maintained with Soneri Bank in accordance with the "Letter of Lien and Set Off" with Pak Oman Investment Company Limited (Trustee to the issue of PPTFCs), an amount at minimum equal to or more than the payment obligations that are becoming due at the end of such payment period, as mentioned in the 'Annexure A', unless a higher amount is notified by the commission i.e. SECP.

**For and on behalf of Kashf Foundation**

  
The Chief Financial Officer  
Kashf Foundation

Dated: Oct 26, 2023





Annexure 'A'

**Security Cover and Redemption Reserve Account in respect of Secured, Rated and Privately Placed Term Finance Certificates (PPTFCs) issued by Kashf Foundation ('the Company') as at June 30, 2023.**

A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 1974.

Account number of Redemption Reserve Account held with <u>Soneri Bank Limited</u> as per "Letter of Lien and Set Off"	<u>20000540208</u>
Payment obligations that are becoming due as at September 30, 2023 (in rupees)	177,236,164
Balance of Redemption Reserve Account as at June 30, 2023 (in rupees)	257,904,404

