



A·F·FERGUSON&CO.

October 27, 2023

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Chief Executive Officer  
Kashf Foundation  
Lahore

Dear Madam

**AUDITOR'S CERTIFICATE WITH RESPECT TO THE MAINTENANCE OF REDEMPTION RESERVE ACCOUNT 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 Redemption Reserve Account 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) (h) 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 redemption reserve fund.

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 an amount in the redemption reserve account 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 Tern 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:

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- Compare the account number of Redemption Reserve Account as mentioned in the annexed statement, with 'Letter of Lien and Set off' issued by the Company to the trustee for the issue of PPTFCs i.e. Pak Oman Investment Company Limited dated May 5, 2021;
- Compare the balance of Redemption Reserve Account as mentioned in the annexed statement with balance as per bank statement of account number 20000540208 maintained with Soneri Bank Limited as at June 30, 2023; and
- Ensure that the amount in the Redemption Reserve Account maintained is at minimum equal to the payment obligations that are becoming due in the next payment period.

#### **Certificate**

With respect to the procedures performed by us as mentioned above, we certify that the annexed statement with regard to the maintenance of balance in Redemption Reserve Account in respect of secured and privately placed Term Finance Certificates is in compliance with the regulation 5C.8 (xii) (h) 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.

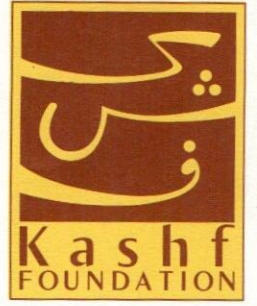
Yours truly

A handwritten signature in black ink, appearing to read 'A. F. Ferguson &amp; Co.', written in a cursive style.

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

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**STATEMENT OF MAINTENANCE OF THE SECURITY COVER AGAINST THE PRIVATELY PLACED TERM FINANCE CERTIFICATES ISSUED BY KASHF FOUNDATION**

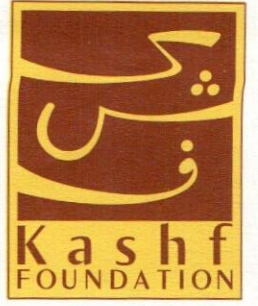
1. Kashf Foundation is also responsible for the maintenance of one hundred and twenty five percent (125%) security cover in respect of rated, secured and privately placed term finance certificates as at June 30, 2023. This responsibility includes maintaining adequate records and internal controls as 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 an amount of security cover, as mentioned Annexure 'A' which is in agreement with 'Certificate of Registration of Mortgage' number ARL/4927 dated 23 September 2019 issued by Securities Exchange Commission of Pakistan (SECP) and 'Search Report' reference Tech-Nixx/2023/K-5557-06/ prepared by TECH-NIXX Credit and Business Information (Legal and Corporate Consultants), of more than one hundred and twenty five percent (125%) of the outstanding amount, as mentioned in Annexure 'A', in respect of the rated, secured and privately placed term finance certificates which is in compliance of the Chapter 5C of the Pakistan Stock Exchange Limited Regulations (the Regulations).

**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.

PPTFCs outstanding as at June 30, 2023 as per Audited Financials (in rupees)	<u>204,064,804</u>
Security Cover as per with 'Certificate of Registration of Mortgage' number ARL/4927 dated 23 September 2019 issued by Securities Exchange Commission of Pakistan (SECP) and 'Search Report' reference Tech-Nixx/2023/K-5557-06/ prepared by TECH-NIXX Credit and Business Information (Legal and Corporate Consultants)	<u>2,666,666,667</u>
Security Cover as percentage of outstanding PPTFCs	1307%

