



**BAKER TILLY**  
**MEHMOOD IDREES**  
**QAMAR**  
CHARTERED ACCOUNTANTS

Islamabad Office:  
1<sup>st</sup> Floor, Boquival Tower,  
Street 27A, Crimson Road, Sector H,  
DHA Phase 2, Islamabad.  
Tel: +92 (051) 2101060, +92 (051) 5418644  
E-mail: infoisb@bakertillymiq.com

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF THE SECURITIES  
BROKERS /BROKERAGE HOUSE**

To the Board of Directors of **FAIR EDGE SECURITIES (PRIVATE) LIMITED**

We have audited the accompanying Statement of Net Capital Balance of **FAIR EDGE SECURITIES (PRIVATE) LIMITED** as at **December 31, 2016**. 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 Regulations 2016.

**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.

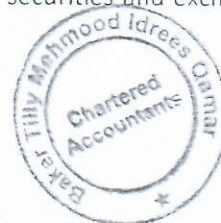
An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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 **FAIR EDGE SECURITIES (PRIVATE) LIMITED** as defined under rule 2 (d) of third schedule of the securities and exchange rules 1971 amounted to **Rs. 15,795,210** as at **December 31, 2016**.

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**Basis of accounting and Restriction on distribution**

This certificate is issued as required under clause 19.3.2 of the PSX regulations and defined under Rule 2(D) of Third Schedule of the Securities and Exchange Rules, 1971 and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

*Bakertilly Mid*  
BAKER TILLY MEHMOOD IDREES QAMAR

CHARTERED ACCOUNTANTS

Date: March 14, 2017



**FAIR EDGE SECURITIES (PRIVATE) LIMITED**  
**CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED**  
**CALCULATION OF CAPITAL FOR THE PURPOSES OF RULE 2(d)**  
**OF SECURITIES AND EXCHANGE RULES, 1971**  
**AS AT DECEMBER 31, 2016**

	Rupees	Rupees
<b>CURRENT ASSETS</b>		
1 Cash at Bank		
a- Pertaining to brokerage house	447,278	
b- Pertaining to clients	4,317,499	4,764,777
2 Trade Receivables		
Book Value	11,601,837	
Less: Overdue for more than 14 days	(9,557,401)	2,044,436
3 Investment in Listed Securities in the name of Broker		
Securities on the exposure list	2,794,138	
Less: 15% adjustment (as required)	(419,121)	2,375,017
4 Securities Purchased for Clients		8,759,514
5 Listed TFCs/Corporate Bonds not less than BBB Grade		
Market Value	-	
Less: 10% adjustment (as required)	-	-
6 FIBs		
Market Value	-	
Less: 5% adjustment (as required)	-	-
7 Treasury Bills		
At market value		-
8 Other current asset specified by the Commission PSX Exposure		2,000,000
		<u>19,943,745</u>
<b>CURRENT LIABILITIES</b>		
1 Trade Payables		
Book Value	3,466,503	
Less: Overdue for more than 30 days	(957,522)	2,508,982
2 Other Payables		
Overdue trade payables		957,522
Loan from directors		200,000
Other liabilities		482,031
		<u>4,148,535</u>
<b>NET CAPITAL</b>		<u><u>15,795,210</u></u>

CEO/Director  
**FAIR EDGE SECURITIES (PRIVATE) LIMITED**



Islamabad  
 March 14, 2017