



Review Report on Statement of Net Capital Balance

To the Chief Executive Officer of M/s. Sherman Securities (Private) Limited

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of M/s. Sherman Securities (Private) Limited (the Securities Broker) as at **December 31, 2020** and notes to the Statement of Net Capital Balance (here-in-after referred to as the 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the regulations) issued by the Securities and Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review


We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* which applies to a review of historical financial information performed by the independent auditor of the Securities Broker. A review of the Statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Regulations.

Other Matter- Restriction on Distribution and Use

Our report is intended solely for the Sherman Securities (Private) Limited (the Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

 Muhammad Rafiq Dosani

Karachi

Date: 19-2 MAR 2021

SHERMAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

Excess of Current Assets over Current Liabilities determined in accordance with the Schedule II of Securities Brokers (Licensing and Operations) Regulations, 2016 read with the Clarification(s) on Calculation and Reporting of Net Capital Balance as issued by the SECP.

DESCRIPTION	VALUATION	RUPEES
<u>CURRENT ASSETS</u>		
Cash in hand or in bank	As per Book Value	219,730,578
Trade Receivables	Book Value less those overdue for more than fourteen days	21,681,540
Investment in listed securities in the name of broker.	Securities on the exposure list marked to market less 15% discount	785,998,175
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days.	3,098,046
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	-
FIBs	Marked to market less 5% discount.	-
Treasury Bill	At market value	-
Any other current assets specified by the commission	As per the valuation basis determined by the commission	-
		<u>1,030,508,339</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	Book value less overdue for more than 30 days	180,733,893
Other Liabilities	As classified under the generally accepted accounting princip	87,225,911
		<u>267,959,804</u>
NET CAPITAL BALANCE AS AT DECEMBER 31, 2020		<u><u>762,548,535</u></u>



CHIEF EXECUTIVE OFFICER




DIRECTOR

SHERMAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF NET CAPITAL BALANCE

Excess of Current Assets over Current Liabilities determined in accordance with the Schedule II of Securities Brokers (Licensing and Operations) Regulations, 2016 read with the Clarification(s) on Calculation and Reporting of Net Capital Balance as issued by the SECP.

Notes to the statement

	<u>Rupees</u>
1 Cash in hand or in bank	
Cash in hand	299,286
Exposure margin & loss deposited with NCCPL against trading of securities	15,017,165
Bank balance pertaining to clients	203,509,772
Bank balance pertaining to house	904,355
	<u>219,730,578</u>
2 Trade receivables	
Book value	33,428,219
Less: overdue for more than 14 days	(11,746,679)
	<u>21,681,540</u>
3 Investment in Listed Securities in the name of broker	
Securities marked to market	924,703,736
Less 15%	(138,705,560)
	<u>785,998,175</u>
4 Securities purchased for customers	
Overdue balance for more than 14 days	11,746,679
Lower of overdue balance and securities held against such balance	<u>3,098,046</u>
5 Trade payables	
Book value	203,077,336
Less: overdue for more than 30 days	(22,343,443)
	<u>180,733,893</u>
6 Other liabilities	
Creditors overdue for more than 30 days	22,343,443
Short term borrowings	48,949,110
Accrued Expenses & Other Payables	15,933,358
	<u>87,225,911</u>



CHIEF EXECUTIVE OFFICER




DIRECTOR