

REVIEW REPORT ON STATEMENT OF LIQUID CAPITAL**To the Chief Executive Officer of Optimus Capital Management (Private) Limited****Introduction**

We have reviewed the accompanying Statement of Liquid Capital of Optimus Capital Management (Private) Limited as at December 31, 2023 and notes to the statement of Liquid Capital (here-in-after referred to as 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on this statement based on our review.

Scope of Review


We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matter, 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 Third Schedule of the Regulations.

Other Matter – Restriction on Distribution and Use

Our report is intended solely for Optimus Capital Management (Private) Limited, 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.


Chartered Accountants

Engagement Partner: Muhammad Kamal Gohar

Karachi: 13 MAR 2024

OPTIMUS CAPITAL MANAGEMENT (PVT) LTD
STATEMENT OF LIQUID CAPITAL
AS AT DECEMBER 31, 2023

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	27,766,523	27,766,523	-
1.2	Intangible Assets	1,824,438	1,824,438	-
1.3	Investment in Govt. Securities (150,000*99)	21,206,173	-	21,206,173
Investment in Debt Securities				
If listed than:				
1.4	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
If unlisted than:				
1.4	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
Investment in Equity Securities				
1.5	i. If listed 15% or VaR of each securities on the cut off date as computed by the Securities Exchange for respective securities whichever is higher. [Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.]	15,937,828	(5,864,247)	10,073,580
1.6	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
Investment in associated companies/undertaking				
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
1.7	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC.	500,000	500,000	-
1.9	Margin deposits with exchange and clearing house.	173,975,966	-	173,975,966
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	12,802,981	12,802,981	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	9,345	-	9,345
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	6,925,557	6,925,557	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
Advances and receivables other than trade Receivables				
1.15	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	1,004,789	-	1,004,789
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	14,346,603	-	14,346,603
	(iii) In all other cases 100% of net value	42,872,134	42,872,134	-
Receivables from clearing house or securities exchange(s)				
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	772,435	-	772,435
Receivables from customers				
1.17	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	11,327,425	-	11,327,425
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VaR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	15,592,050	(15,043,556)	548,494

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HEAD OF ACCOUNTS

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	<i>vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: (i). Up to 30 days, values determined after applying VaR based haircuts (ii). Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher (iii). Above 90 days, 100% haircut shall be applicable.</i>	-	-	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	14,351,098	-	14,351,098
	ii. Bank balance-customer accounts	82,021,619	-	82,021,619
	iii. Cash in hand	49,786	-	49,786
	Subscription money against investment in IPO / offer for sale (asset)			
1.19	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	Total Assets	443,286,750		329,687,313
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	81,488,101	-	81,488,101
	Current Liabilities			
2.2	i. Statutory and regulatory dues	867,694	-	867,694
	ii. Accruals and other payables	17,278,945	-	17,278,945
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
	Advance against shares for Increase in Capital of Securities broker			
2.5	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	Total Liabilities	99,634,740		99,634,740
3. Ranking Liabilities Relating to:				
3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.			
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			

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HEAD OF ACCOUNTS

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Net underwriting Commitments			
3.3	(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitments (b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	586,425	586,425
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	586,425	586,425

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)
(ii) Less: Adjusted value of liabilities (serial number 2.5)
(iii) Less: Total ranking liabilities (series number 3.11)

329,687,313
(99,634,740)
(586,425)
229,466,148

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OPTIMUS CAPITAL MANAGEMENT (PRIVATE) LIMITED
NOTES TO THE STATEMENT OF LIQUID CAPITAL
AS AT DECEMBER 31, 2023

1 STATUS AND NATURE OF BUSINESS

Optimus Capital Management (Private) Limited (the Company) was incorporated under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on March 18, 2004 as a Single Member Private Limited Company vide Incorporation Certificate No. 13358 / 20040302. The company was subsequently converted from single member company to multi member private company with effect from October 05, 2005. The company is a corporate member of Pakistan Stock Exchange Limited (PSX). The principal activities of the company are business of brokerage, sale and purchase of listed securities, etc. The registered office of the Company is relocated to 1st Floor, State Life Building No. 1-B, I. I. Chundrigar Road, Karachi from previous location at 3-C stadium lane 2, DHA Phase V, Karachi. The company is a subsidiary of Optimus Holdings (Private) Limited which holds 100% shares in the company.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

This statement of liquid capital balance has been prepared in accordance with the third schedule, to the Securities Brokers (Licensing and Operations) Regulations, 2016 read with regulation 6(4) to the Securities Brokers (Licensing and Operations) Regulations, 2016 issued by Securities and Exchange Commission of Pakistan (SECP) and clarifications/guidelines issued by SECP from time to time.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the valuation of assets and liabilities before haircut/adjustments is as per the accounting policies applied in the preparation of financial statements for the year ended June 30, 2023.


3 MARGIN DEPOSITS WITH EXCHANGE


December 31, 2023
----Rupees----

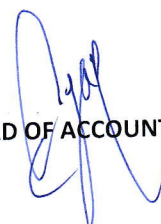
Ready market exposure deposit	160,800,000
MTS exposure deposit	7,000,000
BATS exposure deposit	4,205
Future market exposure deposit	6,171,761
	<u>173,975,966</u>

4 GENERAL

4.1 Figures in this statement of liquid capital have been rounded off to the nearest rupee.


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