SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

SUMMIT CAPITAL (PRIVATE) LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2023

	Note	March 31, 2023	December 31, 2022
		--------------(Rupees)--------------	
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	28,144	28,290
Intangible assets	5	2,527	2,529
Long term advances	6	2,500	2,500
Long term investment	7	41,371	40,243
Investment property		17,682	17,771
Long term deposits	8	1,773	1,673
Deferred tax asset - net		9,291	9,338
		103,288	102,344
CURRENT ASSETS			
Debtors	9	21,966	32,081
Short term loans	10	666	1,041
Short term deposits, prepayments and others receivables	11	32,720	31,212
Advance tax - net		37,935	37,328
Cash and bank balances	12	44,788	58,298
		138,075	159,960
		241,363	262,304
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 50,000,000 ordinary shares of Rs.10/- each		500,000	500,000
Issued, subscribed and paid-up share capital		300,000	300,000
Accumulated losses		(125,490)	(118,873)
Unrealized gain on revaluation of investment		7,040	5,911
		181,550	187,038
CURRENT LIABILITIES			
Short term borrowing - secured	13	-	-
Creditors and other payables	14	59,514	74,919
Deposit - Rent		130	130
Accrued markup		169	217
		59,813	75,266
		241,363	262,304

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	March 31, 2023	March 31, 2022
		(Rs. in '000)	
Income			
Brokerage commission	19	11,796	11,799
Dividend income		8	633
Other income	20	3,683	1,474
		15,487	13,906
Expenditure			
Operating and administrative expenses	21	20,689	23,617
Financial charges	22	455	2
		21,144	23,619
Loss before taxation		(5,657)	(9,713)
Taxation - current		(913)	(1,275)
- deferred		(47)	(298)
		(960)	(1,573)
Loss after taxation		(6,617)	(11,286)
Loss per share - basic and diluted (Rupee)		(0.22)	(0.38)

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	March 31, 2023	March 31, 2022
		-----------(Rs. in '000)-----------	
Cash flows from operating activities			
Loss before taxation		(5,657)	(9,713)
Adjustments for:			
Depreciation		234	449
Amortization		2	3
Provision for staff gratuity fund		300	750
Financial charges		455	2
		991	1,204
		(4,666)	(8,509)
Decrease in assets			
Debtors		10,115	6,828
Short-term loans		375	(296)
Short-term deposit, prepayments and others receivable		(1,508)	9,413
Long term deposits		(100)	297
		8,882	16,242
Increase/(decrease) in liabilities			
Creditors and other payables		(15,622)	14,546
		(15,622)	14,546
Cash generated / (used in) from operations		(11,406)	22,279
Income tax paid		(1,518)	(1,830)
Financial charges paid		(286)	(2)
Gratuity paid		(300)	(750)
Net cash generated / (used in) from operating activities		(13,510)	19,697
Cash flows from investing activities			
Capital expenditure incurred		-	-
Proceed from sale of tangible fixed assets		-	-
Long term investments		-	-
Net cash (used in) / generated from investing activities		-	-
Net increase / (decrease) in cash & cash equivalents		(13,510)	19,697
Cash and cash equivalents at the beginning of the period		58,298	60,875
Cash and cash equivalents at the end of the period		44,788	80,572
Cash and cash equivalents:			
Cash and bank balances	12	44,788	80,572

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2023

	Note	March 31, 2023	March 31, 2022
		------- (Rupees in '000) -------	
Loss after taxation		**(6,617)**	(11,286)
<u>**Other comprehensive income / (loss) - net**</u>			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) on revaluation of investment		1,129	(1,796)
Total comprehensive loss for the period		**(5,488)**	(13,082)

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up capital	Unrealized gain on revaluation of investments	Accumulated Losses	Total
	---------- (Rupees in '000) ----------			
Balance as at January 01, 2022	**300,000**	**17,375**	**(102,246)**	**215,129**
Loss for the period	-	-	(11,286)	(11,286)
Other Comprehensive Income / (loss)				
Unrealized loss on revaluation of investment	-	(1,796)	-	(1,796)
Total loss as at March 31, 2022	-	(1,796)	(11,286)	(13,082)
Balance as at March 31, 2022	**300,000**	**15,579**	**(113,532)**	**202,047**
Loss for the 4th quarter ended on December 31, 2022	-	-	(3,208)	(3,208)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	(2,133)	(2,133)
Unrealized loss on revaluation of investment	-	(9,668)	-	(9,668)
Balance as at December 31, 2022	**300,000**	**5,911**	**(118,873)**	**187,038**
Loss for the period ended March 31, 2023	-	-	(6,617)	(6,617)
Other Comprehensive Income / (loss)				
Actuarial loss on defined benefit plan	-	-	-	-
Unrealized gain on revaluation of investment	-	1,129	-	1,129
Total loss as at March 31, 2023	-	1,129	(6,617)	(5,488)
Balance as at March 31, 2023	**300,000**	**7,040**	**(125,490)**	**181,550**

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

1. THE COMPANY AND ITS OPERATIONS

Summit Capital (Private) Limited (the Company) is a private limited company, incorporated in Pakistan on March 08, 2006 under the Companies Ordinance, 1984 (repealed by Company's Act 2017). The Company is a corporate member / TREC holder of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal activities of the Company are equity brokerage, money market brokerage, interbank foreign exchange brokerage and commodity brokerage. The company is geographically located in the province of Sindh having its registered office situated at 701-702, 7th Floor, Business and Finance Centre, opposite State Bank of Pakistan, I.I. Chundrigar Road, Karachi. The Company is a wholly owned subsidiary of Summit Bank Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for long term investments which are carried at fair value through other comprehensive income.

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016. Where provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 shall prevail.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements for the year ended December 31, 2022.

4. PROPERTY AND EQUIPMENT

	Stock exchange rooms	Leasehold improvements	Furniture and fittings	Motor vehicles	Office equipment	Computer equipment	Electrical equipment	Total
Net Carrying Value basis as at January 1, 2023								
Opening net book value	24,200	252	357	636	789	532	1,524	28,290
Additions / Transfer in	-	-	-	-	-	-	-	-
Disposals / Write-Off								
Cost	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Depreciation Charge		6	9	33	21	39	38	146
Closing Net Book Value	24,200	246	348	603	768	493	1,486	28,144
Rate of depreciation	-	10%	10%	20%	10%	30%	10%	

		Rupees in '000'
5. INTANGIBLE ASSETS		
Year Ended December 31, 2022		
Computer software	5.1	29
Trading Rights Entitlement Certificates		2,500
		2,529
Period Ended March 31, 2023		
Computer software	5.1	27
Trading Rights Entitlement Certificates		2,500
		2,527

5.1 Computer Softwares

Net carrying value basis as at March 31, 2023	
Opening net book value	29
Addition during the year	-
Amortisation for the year	(2)
Closing net book value	27
Gross carrying value basis as at March 31, 2023	
Cost	5,574
Accumulated amortisation	(5,547)
Net Book Value	27
Rate of amortisation (%)	30%
Net carrying value basis as at December 31, 2022	
Opening net book value	41
Addition during the year	-
Amortisation for the year	(12)
Closing net book value	29
Gross carrying value basis as at December 31, 2022	
Cost	5,574
Accumulated amortisation	(5,545)
Net Book Value	29
Rate of amortisation (%)	30%

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		--------------(Rs. in '000)------------	

6. LONG TERM ADVANCES

Advance for office premises in Pakistan Mercantile Exchange Limited		2,500	2,500
		2,500	2,500

7. LONG TERM INVESTMENTS - FAIR VALUE THROUGH OCI

	Note		
Investement in Quoted Securities	7.1	29.726	28.598
Investement in Unquoted Securities	7.2	11.645	11.645
		41.371	40.243

7.1 QUOTED SECURITIES

Number of shares 2023	Number of shares 2022	Name of Investee	2023 Cost	2023 Market Value	2022 Market Value
			---------------(Rs. in '000)---------------		
		INVESTMENT COMPANY			
1,602,953	1,602,953	Pakistan Stock Exchange Limited	4.666	13.481	12.952
1,185,376	1,185,376	The Bank of Khyber	17.781	16.002	15.410
8,000	8,000	HBL Investment Fund - Class A	17	12	13
8,000	8,000	HBL Investment Fund - Class B Segment	51	46	47
1,250	1,250	Bestway Cemnet Limited	156	170	160
158	158	Meezan Bank Limited	17	15	16
			22.688	29.726	28.598
		Provision for impairment in value of investments	(1.791)		
		Unrealized gain on re-measurement of investment	8.829		
		Carrying Value	29.726		

7.1.1 Movement in unrealized gain / (loss) on FVOCI - net

	March 31, 2023	December 31, 2022
Balance as on January 1, 2023	5.910	5.910
Surplus / (Deficit) on remeasurement of investment	2.919	-
Balance as on March 31, 2023	8.829	5.910

7.2 UNQUOTED SECURITIES

Number of shares 2023	Number of shares 2022	Name of Investee	2023 Cost	2022 Cost
		INVESTMENT COMPANY		
843,975	843,975	LSE Financial Services Limited	6.344	6.344
3,034,603	3,034,603	ISE Towers REIT Management Company Limited	5.301	5.301
			11.645	11.645

8. LONG TERM DEPOSITS

	March 31, 2023	December 31, 2022
Considered good		
Central Depository Company of Pakistan Limited	175	175
National Clearing Company of Pakistan Limited	200	200
Pakistan Mercantile Exchange Limited	1,356	1,256
Pakistan Telecommunication Company Limited	42	42
	1,773	1,673

	Note	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
		--------------(Rs. in '000)-------------	

9. DEBTORS

	Note	March 31, 2023	December 31, 2022
Considered good			
Due from clients against trading of securities		8,032	17,934
Commission receivable - unsecured		3,279	3,492
	9.1	11,311	21,426
Considered doubtful			
Due from clients in respect of securities transactions - secured		10,655	10,655
Due from clients in respect of securities transactions - unsecured		55,887	55,887
		77,853	87,968
Less: Provision for doubtful debts		(55,887)	(55,887)
		21,966	32,081

9.1 Includes Rs.0.600 (2022: 0.021) million due from the holding company.

10. SHORT TERM LOANS

	Note	March 31, 2023	December 31, 2022
Short term loans	10.1	666	1,041
		666	1,041

10.1 These loans represent loans to employees for domestic purposes under the terms of employment. These loans carry mark-up at the rate of 8% per annum.

11. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	March 31, 2023	December 31, 2022
Prepayments		1,206	166
Exposure deposits with NCCPL		30,708	30,558
Other receivable - profit on bank	11.1	806	488
		32,720	31,212

11.1 The amounting of Rs.0.806 (2022: Rs.0.488) million profit on bank after deduction of advance tax for the month of March 2023 received in the month of April 2023 from the holding company.

12. CASH AND BANK BALANCES

	Note	March 31, 2023	December 31, 2022
Cash with banks:			
- Current accounts	12.1	843	1,239
- PLS saving accounts	12.2	43,944	57,058
Cash in hand		1	1
		44,788	58,298

12.1 Includes accounts amounting to Rs. 0.100 (2022: Rs.0.101) million maintained with the holding company.
12.2 Includes accounts amounting to Rs. 43.890 (2022: Rs. 57.057) million maintained with the holding company.

13. SHORT TERM FINANCE - SECURED

13.1 Represents a running financing facility of Rs. 300 million from holding company against charge on current assets & hypothecation of receivables and carries mark-up rate of 3 months KIBOR average ask side rate plus 2.50%.

14. TRADE AND OTHER PAYABLES

	Note	March 31, 2023	December 31, 2022
Due to clients in respect of securities transactions	15.1	43,914	49,502
Deposit from employees against vehicles		179	179
Accrued liabilities		7,956	7,306
Payable against purchase of securities		6,806	17,273
Others		659	659
		59,514	74,919

	March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	----------(Rs. in '000)---------	

15. **Customer Assets - Bank Account & Central Depository System**

15.1 **Customer Assets - Bank Account**

Bank Account Balance - Clients	**43,914**	49,502

15.2 **Customer Assets - Securities (Number of shares)**

Securities held in the name of Clients'	**148,490,636**	148,108,002
Securities held in the name of Company's	**6,684,315**	6,684,315

The securities held in the Company's back office record reconciling with the Central Depository System as at March 31, 2023.

16. **Pledged Securities**

Pledged with PSX on behalf of Company (for Base Minimum Capital)	**38,786**	38,786
Total value of pledged securities	**38,786**	38,786

17. **Treatment of amount receivable from customers**

17.1 Trade debtors and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts. A provision for impairment in trade debtors and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables.

17.2 **Aging Analysis of Trade Debtors**

Amount due from customers for more than 5 days	**67,417**	67,165
Less: provision for doubtful debts	**(55,887)**	(55,887)
Balance after provision for doubtful debts more than 5 days	**11,530**	11,278
Value of collateral after applying haircut on the basis of VAR	**10,790**	10,790

18. **Pattern of shareholding with percentage**

	Percentage	No. of Shares	No. of Shares
Summit Bank Limited	100%	**29,999,996**	29,999,996
Arshad Majeed	0%	**1**	1
Muhammad Kashif Malik	0%	**1**	1
Muzammil Hussain	0%	**1**	1
Ali Kashif Rizvi*	0%	**1**	-
Muhammad Anwar*	0%	-	1
Total	**100%**	**30,000,000**	30,000,000

18.1 Mr. Muhammad Anwar resigned as Director on January 13, 2023 and Mr. Ali Kashif Rizvi appointed and replaced Mr. Muhammad Anwar as Director of the Company on January 13, 2023.

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	----------(Rs. in '000)---------	
19. Brokerage commission		
Proprietary Trades (Equity)	-	-
Retail Customers Trades (Equity)	5,053	2,294
Institutional Trades (Equity)	1,614	988
Institutional Trades (Money Market & Interbank Foreign Exchange)	5,129	8,506
Retail (Commodity Futures)	-	12
	11,796	11,799
20. Other income		
Mark-up on personal loan to employees	13	12
Profit on bank account	2,123	112
Profit on cash margins	990	844
Miscellaneous income	-	-
Rental Income	557	506
	3,683	1,474
21. Operating and administrative expenses		
Salaries & benefits	12,324	15,322
Professional fees	994	1,013
Postage, telephone & telex	1,555	1,390
Gas, electricity & utilities	797	579
Rent, rates & taxes	1,180	1,115
Repairs & maintenance	664	903
Printing & stationery	134	75
Traveling and vehicle	1,221	1,000
Entertainment expenses	445	327
Membership & subscription	96	148
Insurance Expense	483	438
Depreciation & Amortization	236	452
Miscellaneous	98	5
Central Depository / NCSS / PSX Service charges	462	850
	20,689	23,617
22. Financial charges		
Mark-up expense on borrowings	448	-
Other financial charges	7	2
	455	2

23. RELATED PARTY TRANSACTIONS

The related parties comprise parent company, related group companies, staff retirement funds, directors and key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
	----------(Rs. in '000)---------	
Holding Company - Summit Bank Limited		
Brokerage commission	564	70
Financial charges	453	-
Profit on bank accounts	2,122	108
Rent paid	1,030	965
Service rendered (Generator Fuel - Reimbursement)	136	-
Running finance availed (Highest)	36,247	-
Running finance paid (Highest)	(36,247)	-
Brokerage commission -Key management personnel & Director	-	2
Contribution paid to/(received from) Gratuity Fund	300	750
Contribution paid to/(received from) Provident Fund	552	680

23.1 The outstanding balances of related parties are included in their respective notes to these condensed interim financial statements.

24. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on April 20, 2023.

25. GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR