SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2021

	Note	March 31, 2021	December 31, 2020
		----------(Rs. in '000)----------	
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**34,527**	35,001
Intangible assets	5	**2,555**	2,559
Long term advances	6	**2,500**	2,500
Long term investment	7	**33,397**	35,401
Investment property		**18,411**	18,504
Long term deposits	8	**3,166**	3,166
Deferred tax asset - net		**5,995**	6,066
		100,551	103,197
CURRENT ASSETS			
Debtors	9	**39,997**	47,399
Short term loans	10	**1,270**	777
Short term deposits, prepayments and others receivables	11	**59,166**	63,406
Advance tax - net		**33,589**	33,510
Cash and bank balances	12	**135,355**	163,469
		269,377	308,561
		369,928	411,758
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 capital		**300,000**	300,000
Accumulated loss		**(85,781)**	(79,829)
Unrealized gain on revaluation of AFS Investment		**17,086**	19,090
		231,305	239,261
CURRENT LIABILITIES			
Short term borrowing - secured	13	**-**	-
Creditors and other payables	14	**138,623**	172,497
		138,623	172,497
CONTINGENCIES AND COMMITMENTS			
		369,928	411,758

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S...

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rs. in '000)	
Income			
Brokerage commission	21	**20,306**	18,170
Other income	21	**1,343**	2,475
		21,649	20,645
Expenditure			
Operating and administrative expenses		**25,886**	27,594
Financial charges	21	**75**	158
		25,961	27,752
Loss before taxation		**(4,312)**	(7,107)
Taxation - current		**1,569**	1,669
- deferred		**71**	-
Loss after taxation		**(5,952)**	(8,776)
Loss per share - basic and diluted (Rupee)		**(0.20)**	(0.29)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		(Rs. in '000)	
Cash flows from operating activities			
Loss before taxation		**(4,312)**	(7,107)
Adjustments for:			
Depreciation		**567**	672
Amortization		**4**	6
Financial charges		**75**	158
		646	836
		(3,666)	(6,271)
(Increase)/decrease in assets			
Debtors		**7,402**	(2,515)
Short-term loans		**(493)**	56
Short-term deposit, prepayments and others receivable		**4,240**	3,832
		11,149	1,373
Increase/(decrease) in liabilities			
Creditors and other payables		**(33,874)**	57,993
Cash (used in)/generated from operations		**(26,391)**	53,095
Income tax paid		**(1,648)**	(1,404)
Financial charges paid		**(75)**	(109)
Net cash (used in)/inflow from operating activities		**(28,114)**	51,582
Cash flows from investing activities			
Capital expenditure incurred		**-**	(41)
Net cash (used in)/inflow from investing activities		**-**	(41)
Cash flows from financing activities			
Long term loan		**-**	-
Net cash used in financing activities		**-**	-
Net decrease in cash & cash equivalents		**(28,114)**	51,541
Cash and cash equivalents at the beginning of the period		**163,469**	97,258
Cash and cash equivalents at the end of the period		**135,355**	148,799
Cash and cash equivalents:			
Cash and bank balances	12	**135,355**	148,799

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		------- (Rupees in '000) -------	
Loss after taxation		**(5,952)**	**(8,776)**
Other comprehensive income / (loss) - net			
Items that will not to be reclassified to profit and loss account in subsequent periods			
Actuarial gain on defined benefit plan		-	-
Items that may be reclassified to profit and loss account in subsequent periods			
Unrealized loss on revaluation of investment		(2,004)	(7,342)
Total comprehensive loss for the period		**(7,956)**	**(16,118)**

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Issued, subscribed and paid up capital	Accumulated profit/ (loss)	Total
	----------------	(Rs. in 000')	----------------
Balance as on January 01, 2020	300,000	(45,434)	254,566
Total comprehensive income for the period	-	(16,118)	(16,118)
Balance as at March 31, 2020	**300,000**	**(61,552)**	**238,448**
Balance as on January 01, 2021	300,000	(45,434)	254,566
Total comprehensive income for the period	-	(7,956)	(7,956)
Balance as at March 31, 2021	**300,000**	**(53,390)**	**246,610**

Rahat S—n

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, 2021

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, commodity brokerage and research. The registered office of the Company is 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 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), and provisions of and directives issued under the Companies Act, 2017. Where provisions of a and directives issued under the Companies Act, 2017 differ from the IFRS Standards,, the provisons of and diretives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of section 237 of the Companies Act, 2017. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest rupee.

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, 2020.

	Note	March 31, 2021 (Un-audited)	December 31 2020 (Audited)
		-----------(Rs. in '000)---------	
4. PROPERTY AND EQUIPMENT			
Operating fixed assets - tangible		**34,527**	35,001
		34,527	35,001
5. INTANGIBLE ASSETS			
Computer software		**55**	59
Trading Rights Entitlement Certificates		**2,500**	2,500
		2,555	2,559
6. LONG TERM ADVANCES			
Advance for capital expenditure		**2,500**	2,500
		2,500	2,500
7. LONG TERM INVESTMENTS			
Long term investment - available for sale		**33,397**	35,401
		33,397	35,401
8. LONG TERM DEPOSITS			
Long-term deposits - considered good		**3,166**	3,166
		3,166	3,166
9. DEBTORS			
Considered good			
Due from clients in respect of securities transactions - secured		**3,520**	1,771
Commission receivable - unsecured		**8,168**	7,731
Receivable against sale of securities from clearing house		**-**	10,877
	9.1	**11,688**	20,379
Considered doubtful			
Due from clients in respect of securities transactions - secured		**28,309**	27,020
Due from clients in respect of securities transactions - unsecured		**57,176**	57,176
		97,173	104,575
Less: Provision for doubtful debts		**57,176**	57,176
		39,997	47,399

9.1 Includes Rs.0.442 (2020: 0.127) million due from the holding company.

	Note	March 31, 2021 (Un-audited)	December 31 2020 (Audited)
		--------------(Rs. in '000)-------------	

10. SHORT TERM LOANS

Short term loans	10.1	**1,270**	777
		1,270	777

10 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

Prepayments		**946**	249
Exposure deposits		**58,220**	63,157
		59,166	63,406

12. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts	12.1	**127,976**	154,361
- PLS saving accounts	12.2	**7,373**	9,107
Cash in hand		**6**	1
		135,355	163,469

12.1 Includes accounts amounting to Rs. 124.002 (2020: Rs. 148.162) million maintained with the holding compai

12.2 Includes accounts amounting to Rs. 7.362 (2020: Rs. 9.048) 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

14. TRADE AND OTHER PAYABLES

Due to clients in respect of securities transactions	14.1	**124,000**	159,487
Deposit from employees against vehicles		**1,781**	1,744
Accrued liabilities		**11,293**	10,878
Payable against purchase of securities		**1,120**	-
Others		**429**	388
		138,623	172,497

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	----------(Rs. in '000)---------	

15. Customer Assets - Bank Account & Central Depository System

15.1 Customer Assets - Bank Account

Bank Account Balance - Clients	**124,000**	148,610

15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	**128,247,499**	122,400,822
Securities held in the name of Company's	**5,481,531**	5,481,531

The securities held in the Company's back office record reconciling with the Central Depository System as at June 30, 2020.

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 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 **Aging Analysis of Trade Debtors**

Amount due from customers for more than 5 days	**87,798**	91,464
Less: provision for doubtful debts	**(57,176)**	(63,140)
Balance after provision for doubtful debts more than 5 days	**30,622**	28,324
Value of collateral after applying haircut on the basis of VAR	**18,006**	22,060

18. Pattern of shareholding with percentage

	Percentage	No. of Shares	No. of Shares
Summit Bank Limited	100%	**29,999,997**	29,999,996
Irfan Saleem Awan*	0%	-	1
Rahat Saeed Khan	0%	**1**	1
Muzammil Hussain	0%	**1**	1
Zubair Aziz	0%	**1**	1
Total	**100%**	**30,000,000**	30,000,000

18.1 The company's is the wholly owned subsidiary of Summit Bank Limited.Mr. Irfan Saleem Awan resigned from the Board of Directors on February 12, 2021.

	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	----------(Rs. in '000)---------	

19. **Equity Turnover - Proprietary Trades, Retail Customers and Institutional Customers**

Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	**8,375**	4,907
Institutional Trades - Turnover	**3,906**	4,321
Total Trades - Turnover	**12,280**	9,228

20. **Disclosure under regulation 5(4) of Research Analyst Regulations, 2015**

At present, SCPL employs 3 members in its reserach department (including head of research, two research analysts). All members report to Head of Research who in turn reports to CEO. Compensation structure of research analysts is flat and is subject to qualification, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents/outcome of research report. During the period ended March 31, 2021, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 1,269,896/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

	Note	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
		------------(Rs. in '000)------------	

21. **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:

Holding Company - Summit Bank Limited

Brokerage commission	**355**	701
Financial charges	**102**	147
Profit on bank accounts	**126**	400
Rent paid	**877**	797
Service rendered (Generator Fuel - Reimbursement)	**73**	30
Brokerage commission -Key management personnel & Director	**215**	3
Contribution paid to/(received from) Gratuity Fund	**750**	750
Contribution paid to/(received from) Provident Fund	**775**	688

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

22. **DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on April 8, 2021.

23. **GENERAL**

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

Rahat S

CHIEF EXECUTIVE OFFICER

DIRECTOR