

**SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2021

		September 30, 2021	December 31, 2020
Note	-----	(Rs. in '000)	-----
	(Un-audited)	(Audited)	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	33,074	35,001
Intangible assets	5	2,546	2,559
Long term advances	6	2,500	2,500
Long term investment	7	40,915	35,401
Investment property		18,226	18,504
Long term deposits	8	3,165	3,166
Deferred tax asset - net		5,689	6,066
		106,115	103,197
CURRENT ASSETS			
Debtors	9	39,391	47,399
Short term loans	10	1,025	777
Short term deposits, prepayments and others receivables	11	50,565	63,406
Advance tax - net		33,945	33,510
Cash and bank balances	12	101,515	163,469
		226,441	308,561
		332,556	411,758
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		500,000	500,000
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		(99,282)	(79,829)
Unrealized gain on revaluation of investment		24,604	19,090
		225,322	239,261
CURRENT LIABILITIES			
Short term borrowing - secured	13	-	-
Creditors and other payables	14	107,201	172,497
Accrued interest		33	-
		107,234	172,497
CONTINGENCIES AND COMMITMENTS			
		332,556	411,758
		332,556	411,758

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

Rahat Ishaq

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

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SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021	September 30, 2020
	Note	----- (Rs. in '000) -----	
Income			
Brokerage commission	21	59,927	52,606
Gain/(loss) on sale of operating fixed assets		463	809
Other income	21	4,529	5,750
		64,919	59,165
Expenditure			
Operating and administrative expenses		78,519	71,400
Financial charges	21	407	161
		78,926	71,561
Loss before taxation		(14,007)	(12,396)
Taxation - current		(5,069)	(4,773)
- deferred		(377)	301
		(5,446)	(4,472)
Loss after taxation		(19,453)	(16,868)
Loss per share - basic and diluted (Rupee)		(0.65)	(0.56)

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Rahat S...

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
	Note	------(Rs. in '000)-----
Cash flows from operating activities		
Loss before taxation	(14,007)	(12,396)
Adjustments for:		
Depreciation	1,662	2,009
Amortization	13	19
(Gain)/loss on sale of operating fixed assets	(463)	(809)
Financial charges	407	161
	1,619	1,380
	(12,388)	(11,016)
(Increase)/decrease in assets		
Debtors	8,008	(2,892)
Short-term loans	(248)	(13)
Short-term deposit, prepayments and others receivable	12,841	(6,119)
Long term deposits	-	3,000
	20,601	(6,024)
Increase/(decrease) in liabilities		
Creditors and other payables	(65,296)	84,491
	(57,083)	67,451
Cash (used in)/generated from operations		
Income tax paid	(5,501)	(5,086)
Financial charges paid	(374)	(161)
	(62,958)	62,204
Net cash (used in)/inflow from operating activities		
Cash flows from investing activities		
Capital expenditure incurred	1,004	884
Net cash (used in)/inflow from investing activities	1,004	884
Cash flows from financing activities		
Long term loan	-	-
Net cash used in financing activities	-	-
Net decrease in cash & cash equivalents	(61,954)	63,088
Cash and cash equivalents at the beginning of the period	163,469	97,258
Cash and cash equivalents at the end of the period	101,515	160,346
Cash and cash equivalents:		
Cash and bank balances	12 <u>101,515</u>	<u>160,346</u>

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

Rahat S

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Note	----- (Rupees in '000) -----	
Loss after taxation	(19,453)	(16,868)
<u>Other comprehensive income / (loss) - net</u>		
Items that may be reclassified to profit and loss account in subsequent periods		
Unrealized loss on revaluation of investment	5,514	6,444
Total comprehensive loss for the period	<u><u>(13,939)</u></u>	<u><u>(10,424)</u></u>

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

Rahat S...

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

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SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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	-	(10,424)	(10,424)
Balance as at September 30, 2020	<u>300,000</u>	<u>(55,858)</u>	<u>244,142</u>
Balance as on January 01, 2021	300,000	(60,739)	239,261
Total comprehensive income for the period	-	(13,939)	(13,939)
Balance as at September 30, 2021	<u>300,000</u>	<u>(74,678)</u>	<u>225,322</u>

Rahat S...

CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 provisions of and directives 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.

	September 30, 2021 (Un-audited)	December 31 2020 (Audited)
Note	----- (Rs. in '000) -----	
4. PROPERTY AND EQUIPMENT		
Operating fixed assets - tangible	<u>33,074</u>	<u>35,001</u>
	<u>33,074</u>	<u>35,001</u>
5. INTANGIBLE ASSETS		
Computer software	46	59
Trading Rights Entitlement Certificates	<u>2,500</u>	<u>2,500</u>
	<u>2,546</u>	<u>2,559</u>
6. LONG TERM ADVANCES		
Advance for capital expenditure	<u>2,500</u>	<u>2,500</u>
	<u>2,500</u>	<u>2,500</u>
7. LONG TERM INVESTMENTS		
Long term investment - available for sale	<u>40,915</u>	<u>35,401</u>
	<u>40,915</u>	<u>35,401</u>
8. LONG TERM DEPOSITS		
Long-term deposits - considered good	<u>3,165</u>	<u>3,166</u>
	<u>3,165</u>	<u>3,166</u>
9. DEBTORS		
Considered good		
Due from clients in respect of securities transactions - secured	2,127	1,771
Commission receivable - unsecured	9,433	7,731
Receivable against sale of securities from clearing house	-	10,877
Considered doubtful	<u>11,560</u>	<u>20,379</u>
Due from clients in respect of securities transactions - secured	27,831	27,020
Due from clients in respect of securities transactions - unsecured	<u>57,176</u>	<u>57,176</u>
	<u>96,567</u>	<u>104,575</u>
Less: Provision for doubtful debts	<u>57,176</u>	<u>57,176</u>
	<u>39,391</u>	<u>47,399</u>

9.1 Includes Rs.0.189 (2020: 0.127) million due from the holding company.

		September 30, 2021 (Un-audited)	December 31 2020 (Audited)
	Note	------(Rs. in '000)-----	
10. SHORT TERM LOANS			
Short term loans	10.1	<u>1,025</u>	<u>777</u>
		<u>1,025</u>	<u>777</u>

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		1,141	249
Exposure deposits		<u>49,424</u>	<u>63,157</u>
		<u>50,565</u>	<u>63,406</u>

12. CASH AND BANK BALANCES

Cash with banks:			
- Current accounts	12.1	94,339	154,361
- PLS saving accounts	12.2	7,173	9,107
Cash in hand		3	1
		<u>101,515</u>	<u>163,469</u>

12.1 Includes accounts amounting to Rs. 90.981 (2020: Rs. 148.162) million maintained with the holding company

12.2 Includes accounts amounting to Rs. 7.169 (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 plus 2.50%.

14. TRADE AND OTHER PAYABLES

Due to clients in respect of securities transactions	14.1	90,980	159,487
Deposit from employees against vehicles		1,684	1,744
Accrued liabilities		13,283	10,878
Payable against purchase of securities		725	-
Others		529	388
		<u>107,201</u>	<u>172,497</u>

	September 30, 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	<u>90,980</u>	<u>148,610</u>
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15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	<u>145,835,231</u>	<u>122,400,822</u>
Securities held in the name of Company's	<u>5,481,531</u>	<u>5,481,531</u>

The securities held in the Company's back office record reconciling with the Central Depository System as at September 30, 2021.

16. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital	<u>38,786</u>	38,786
Total value of pledged securities	<u>38,786</u>	<u>38,786</u>

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	86,143	91,464
Less: provision for doubtful debts	(57,176)	(63,140)
Balance after provision for doubtful debts more than 5 days	<u>28,967</u>	<u>28,324</u>
Value of collateral after applying haircut on the basis of VAR	<u>17,612</u>	<u>22,060</u>

18. Pattern of shareholding with percentage

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

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. Mr. Salman Zafar Siddiqi was appointed as a Director on July 15, 2021 (subject to the approval from PSX).

September 30, September 30,
2021 2020
(Un-audited) (Un-audited)
------(Rs. in '000)-----

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

Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	20,694	16,804
Institutional Trades - Turnover	11,232	9,512
Total Trades - Turnover	31,926	26,316

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

At present, SCPL employs 2 members in its reserach department (including head of research and one research analyst). All member(s) 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 September 30, 2021, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 3,541,506/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

September 30, September 30,
2021 2020
(Un-audited) (Un-audited)
Note -----(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	3,929	1,077
Financial charges	403	148
Profit on bank accounts	504	1,305
Rent paid	2,806	1,674
Service rendered (Generator Fuel - Reimbursement)	189	147
Running finance availed (Highest)	99,998	-
Running finance paid (Highest)	(99,998)	-
Brokerage commission -Key management personnel & Director	352	73
Contribution paid to/(received from) Gratuity Fund	2,250	2,250
Contribution paid to/(received from) Provident Fund	2,270	2,139

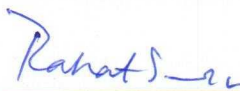
21.1 The outstanding balances of related parties are included in their respective notes to these condensed interim financial statements.

22. DATE OF AUTHORISATION


These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on October 27, 2021.

23. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

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