

1327-28/2  
February 28, 2017

Mr. Rahat Saeed Khan  
Chief Executive Officer  
Summit Capital (Private) Limited (the Company)  
701-702, 7<sup>th</sup> floor, Business & Finance Centre  
I.I Chundrigar Road  
Karachi


Sir

## REPORT ON NET CAPITAL BALANCE

This is to report that the Net Capital Balance of the Company, a Trading Right Entitlement Certificate (TREC) Holder of the Pakistan Stock Exchange, as defined under Rule 2(d) of and Third Schedule to the Securities and Exchange Rules, 1971 amounted to Rs 118.217 million as at December 31, 2016 as per the Statement of Net Capital prepared by the management and annexed to this letter.

We further confirm that the above net capital balance of the Company is calculated on the basis of audited financial statements for the year ended 31 December 2016 on which we have issued our audit report dated ~~01 MAR 2017~~

Yours truly,

  
Chartered Accountants  
DYA

## AUDITORS' REPORT TO THE CHIEF EXECUTIVE OFFICER

We have audited the accompanying 'Statement of Net Capital' and other explanatory notes (the Statement) of **Summit Capital (Private) Limited** (the Company) as at December 31, 2016. The Statement has been prepared by the management based on the accounting policies of the Company and the provisions of Securities and Exchange Rules, 1971 (the net capital reporting framework).

### Management's Responsibility for the Statement

Management is responsible for the preparation and presentation of this Statement in accordance with the net capital reporting framework and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Statement as of December 31, 2016, is prepared, in all material respects, in accordance with the net capital reporting framework.

### Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to note 1 to the Statement which describes the basis of preparation. The Statement is prepared to assist the Company to meet the requirements of Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the use of the Company, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange, and should not be distributed to other parties.

  
Chartered Accountants

Date: 01 MAR 2017  
Karachi

**SUMMIT CAPITAL (PRIVATE) LIMITED  
STATEMENT OF NET CAPITAL  
AS AT DECEMBER 31, 2016**

		December 31, 2016		December 31, 2016
Current assets	Note	Rupees	Current liabilities	Note
Cash and bank balances	2	199,088,485	Trade payables	5
Trade receivables	3	4,362,106	Other payables	
Securities purchased for clients	4	22,753,434		
Receivable from NCCPL		15,488,868		
Investment in listed shares (discount 15%)		5,095,963		
Total		246,788,856		128,572,055
<b>Net capital (excess of current assets over current liabilities)</b>				<b>118,216,801</b>
<b>Net capital balance is allocated as follows:</b>				
Pakistan Stock Exchange Limited				113,216,801
Pakistan Mercantile Exchange Limited				5,000,000
				<b>118,216,801</b>

The annexed notes from 1 to 6 form an integral part of this statement of net capital.

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*Rahat S. - 16*  
Chief Executive Officer



*Szawin*  
Chief Financial Officer

**SUMMIT CAPITAL (PRIVATE) LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL**  
**AS AT DECEMBER 31, 2016**

**1. BASIS OF PREPARATION**

1.1 The Statement of Net Capital (the Statement) has been prepared in conformity with the accounting policies of Summit Capital (Private) Limited, provisions of Securities and Exchange Rules, 1971 and the guidelines issued by the Securities and Exchange Commission of Pakistan.

December 31,  
2016  
Rupees

**2. CASH AND BANK BALANCES**

Cash in hand	13,396
Exposure margins with Pakistan Stock Exchange Limited	63,410,045
Cash at bank pertaining to:	
- Brokerage house	36,776,936
- Clients	98,888,108
	<u>199,088,485</u>

**3. TRADE RECEIVABLE - Equity Brokerage**

Total trade receivable - net of provision	34,964,906
Outstanding for more than 14 days	(30,602,800)
Balance generated within 14 days and / or not yet due	<u>4,362,106</u>

**4. SECURITIES PURCHASED FOR CLIENTS**

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities whichever is less.

**5. PAYABLE TO CLIENTS**

Total trade payable	114,376,976
Balance payable for more than 30 days	(48,665,786)
Balance payable within 30 days	<u>65,711,190</u>

**6. GENERAL**

Figures have been rounded off to the nearest rupees.

*MA*

*Rahat Sana*  
Chief Executive Officer



*Szamin*  
Chief Financial Officer