

**SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019**

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2019

		March 31, 2019	December 31, 2018
	Note	----- (Rs. in '000) ----- (Unaudited)	----- (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	39,245	39,961
Intangible assets	5	4,497	4,506
Long term advances	6	2,500	2,500
Long term investment	7	37,950	33,397
Investment property		19,170	19,267
Long term deposits	8	4,267	3,267
Deferred tax asset - net		<u>5,836</u>	<u>5,836</u>
		<u>113,465</u>	<u>108,734</u>
CURRENT ASSETS			
Debtors	9	53,745	70,204
Short term loans	10	837	926
Short term deposits, prepayments and others receivables	11	76,570	70,903
Advance tax - net		31,302	30,720
Cash and bank balances	12	81,714	113,239
		<u>244,168</u>	<u>285,992</u>
		<u>357,633</u>	<u>394,726</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 50,000,000 ordinary shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital		300,000	300,000
Accumulated loss		(34,479)	(25,971)
Unrealized gain on revaluation of AFS Investment		<u>21,059</u>	<u>17,086</u>
		<u>286,580</u>	<u>291,115</u>
CURRENT LIABILITIES			
Short term borrowing - secured	13	-	-
Creditors and other payables	14	71,053	103,562
Accrued interest		-	49
		<u>71,053</u>	<u>103,611</u>
		<u>357,633</u>	<u>394,726</u>
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Rohat S...

CHIEF EXECUTIVE OFFICER

[Signature]
DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
		------(Rs. in '000)-----	
Income			
Brokerage commission			
Unrealised gain/(loss) on revaluation of held-for-trading securities - net	23	13,082	19,654
Gain/(loss) on sale of securities - net		-	(4)
Dividend income	21	-	106
Other income	23	2,487	1,752
		<u>15,569</u>	<u>21,648</u>
Expenditure			
Operating and administrative expenses			
Financial charges	23	23,393	27,789
		110	11
		<u>23,503</u>	<u>27,800</u>
(Loss)/profit before taxation		<u>(7,934)</u>	<u>(6,152)</u>
Taxation - current		1,154	2,789
(Loss)/profit after taxation		<u>(9,088)</u>	<u>(8,941)</u>
Earning per share - basic and diluted (Rupee)		<u>(0.30)</u>	<u>(0.30)</u>
Other comprehensive income - Unrealized gain/(loss) on revaluation of AFS Investment		4,553	5,627
Total comprehensive (loss)/income for the period		<u>(4,535)</u>	<u>(3,314)</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Rohat S...

CHIEF EXECUTIVE OFFICER

Stewart...

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
Note	------(Rs. in '000)-----	
Cash flows from operating activities		
(Loss)/profit before taxation	(7,934)	(6,152)
Adjustments for:		
Depreciation	769	885
Amortization	52	13
Unrealized loss on revaluation of held-for-trading securities	-	4
(Gain) on sale of securities - net	-	(106)
Financial charges	110	11
	931	807
(Increase)/decrease in assets	(7,003)	(5,345)
Debtors		
Short-term loans	16,459	(78,113)
Short-term deposit, prepayments and others receivable	89	(108)
Long term deposits	(5,667)	1,770
	(1,000)	(3,000)
Increase/(decrease) in liabilities	9,881	(79,451)
Creditors and other payables		
Short term borrowing	(32,509)	87,992
	-	-
Cash (used in)/generated from operations	(32,509)	87,992
Income tax paid	(29,631)	3,196
Financial charges paid	(1,735)	(1,977)
	(159)	(2,950)
Net cash (used in)/inflow from operating activities	(31,525)	(1,731)
Cash flows from investing activities		
Capital expenditure incurred	-	(494)
Short-term investments	-	(1,319)
Net cash (used in)/inflow from investing activities	-	(1,813)
Cash flows from financing activities		
Long term loan	-	-
Net cash used in financing activities	-	-
Net decrease in cash & cash equivalents	(31,525)	(3,544)
Cash and cash equivalents at the beginning of the period	113,239	123,091
Cash and cash equivalents at the end of the period	81,714	119,547
Cash and cash equivalents:		
Cash and bank balances	13	81,714
	81,714	119,547

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Rohat S. ...

CHIEF EXECUTIVE OFFICER

Howard ...

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

Balance as on January 01, 2018
 Total comprehensive income for the period
Balance as at March 31, 2018
Balance as on January 01, 2019
 Total comprehensive income for the period
Balance as at March 31, 2019

Issued, subscribed and paid up capital	Accumulated profit/ (loss)	Total
----- (Rs. in 000') -----		
300,000	(32,201)	267,799
-	17,964	17,964
300,000	(14,237)	285,763
300,000	(8,885)	291,115
-	(4,535)	(4,535)
300,000	(13,420)	286,580

Rohat Khan

CHIEF EXECUTIVE OFFICER

Shweta

DIRECTOR

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SUMMIT CAPITAL (PRIVATE) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

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. The Company is a 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirement differ,, the provisons or diretives of the Companies Ordinance, 1984 shall prevail.

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, 2018.

	March 31, 2019 (Unaudited)	December 31, 2018 (Audited)
Note	(Rs. in '000)	
4. PROPERTY AND EQUIPMENT		
Operating fixed assets - tangible	39,245	39,961
	<u>39,245</u>	<u>39,961</u>
5. INTANGIBLE ASSETS		
Computer software	111	120
Trading Rights Entitlement Certificates	4,386	4,386
	<u>4,497</u>	<u>4,506</u>
6. LONG TERM ADVANCES		
Advance for capital expenditure	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
7. LONG TERM INVESTMENTS		
Long term investment - available for sale	37,950	33,397
	<u>37,950</u>	<u>33,397</u>
8. LONG TERM DEPOSITS		
Long-term deposits - considered good	4,267	3,267
	<u>4,267</u>	<u>3,267</u>
9. DEBTORS		
Considered good		
Due from clients in respect of securities transactions - secured		
Commission receivable - unsecured	19,342	38,875
Receivable against sale of securities from clearing house	8,947	6,477
Considered doubtful		
Due from clients in respect of securities transactions - secured	28,289	45,352
Due from clients in respect of securities transactions - unsecured	25,456	24,852
	<u>63,548</u>	<u>63,548</u>
	117,293	133,752
	<u>63,548</u>	<u>63,548</u>
	<u>53,745</u>	<u>70,204</u>
Less: Provision for doubtful debts		
9.1 Includes Rs.0.112 (2018: 0.184) million due from the holding company.		
10. SHORT TERM LOANS		
Short term loans		
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.	837	926
	<u>837</u>	<u>926</u>
11. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Prepayments	1,102	100
Exposure deposits	75,468	70,803
	<u>76,570</u>	<u>70,903</u>
12. CASH AND BANK BALANCES		
Cash with banks:		
- Current accounts	57,290	67,654
- PLS saving accounts	24,394	45,569
- Term deposit receipts	-	-
Cash in hand	30	16
	<u>81,714</u>	<u>113,239</u>
12.1 Includes aggregate balance of Rs. 66.222 (2018: Rs. 101.926) million maintained with the holding company. It represents term deposit receipt with a bank at rate of 11.5% per annum (2010: 11.5%) with maturity on September 18, 2011. The term deposit is under lien against a bank guarantee to Karachi Stock Exchange		
13. SHORT TERM FINANCE - SECURED		
13.1 Represents a running financing facility of Rs. 400 million from holding company against 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		
Deposit from employees against vehicles	41,834	56,361
Payable to Staff Gratuity Fund (a related party)	1,420	1,391
Accrued liabilities	-	-
Workers' Welfare Fund	10,493	9,560
Payable against purchase of securities to clearing house	-	-
Others	17,181	36,135
	125	115
	<u>71,053</u>	<u>103,562</u>

	March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
	(Rs. in '000)	
15. Customer Assets - Bank Account & Central Depository System		
15.1 Customer Assets - Bank Account		
Bank Account Balance - Clients	41,834	56,361
15.2 Customer Assets - Securities (Number of shares)		
Securities held in the name of Clients'		
Securities held in the name of Company's	154,159,293	152,698,095
	5,598,238	5,598,238

The securities held in the Company's back office record reconciling with the Central Depository System as at March 31, 2019.

16. Pledged Securities		
Pledged with PSX on behalf of Company (for Base Minimum Capital)	38,786	38,786
Pledged with PSX on behalf of Clients	-	-
Pledged with Summit Bank Limited on behalf of client	-	-
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		
Total trade debtors	108,486	127,275
Less: Trade debtors equity within 5 days	17,500	36,200
Trade debtors above 5 days	90,986	91,075
Less: provision for doubtful debts	63,548	63,548
Balance after provision for doubtful debts above 5 days	27,438	27,527
Value of collateral against trade debtors	25,726	27,300

	March 31, 2019 (Un-audited)	December 31, 2018 (Audited)
	(Rs. in '000)	
18. Pattern of shareholding with percentage		
	Percentage	No. of Shares
Summit Bank Limited	100%	29,999,996
Syed Mohammad Anwar Lutfullah	0%	1
Aziz Morris	0%	1
Noor Muhammad	0%	1
Rahat Saeed Khan	0%	1
Muzammil Hussain	0%	1
Total	100%	30,000,000

18.1 The company is the wholly owned subsidiary of Summit Bank Limited. Mr. Noor Muhammad resigned from the Board of Directors on March 1, 2019. Mr. Muzammil Hussain appointed as a Director on March 5, 2019.

	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
	(Rs. in '000)	
19. Equity Turnover - Proprietary Trades, Retail Customers and Institutional Customers		
Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	3,047	6,422
Institutional Trades - Turnover	1,661	3,994
Total Trades - Turnover	4,707	10,416
20. Income from dividends		
Income from dividends	-	140

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

At present, SCPL employs 4 members in its research department (including head of research, two research analysts and a librarian). 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, 2019, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 1,316,842/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

March 31, March 31,
2019 2018
(Unaudited) (Unaudited)
Note -----(Rs. in '000)-----

22. 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	60	902
Financial charges	95	7
Profit on bank accounts	683	472
Rent paid	725	725
Service rendered (Generator Fuel - Reimbursement)	46	13
Shares purchased from holding company	-	40,347
Shares sold to holding company	-	(40,398)
Brokerage commission -Key management personnel & Director	27	38
Contribution paid to/(received from) Gratuity Fund	750	750
Contribution paid to/(received from) Provident Fund	717	751

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

23. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 16 APR 2019, 2019.

24. GENERAL

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

Rohat S. S.
CHIEF EXECUTIVE OFFICER

Stewart
DIRECTOR

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