# SUMMIT CAPITAL (PRIVATE) LIMITED
## INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
## FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

**SUMMIT CAPITAL (PRIVATE) LIMITED**
**CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2020**

| | Note | March 31, 2020 | December 31, 2019 |
|---|---|---|---|
| | | -------------(Rs. in '000)------------- | |
| | | (Unaudited) | (Audited) |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property and equipment | 4 | **36,646** | 37,185 |
| Intangible assets | 5 | **4,464** | 4,470 |
| Long term advances | 6 | **2,500** | 2,500 |
| Long term investment | 7 | **24,308** | 31,650 |
| Investment property | | **18,787** | 18,881 |
| Long term deposits | 8 | **6,167** | 6,167 |
| Deferred tax asset - net | | **6,231** | 6,231 |
| | | **99,103** | 107,084 |
| **CURRENT ASSETS** | | | |
| Debtors | 9 | **54,693** | 52,178 |
| Short term loans | 10 | **570** | 626 |
| Short term deposits, prepayments and others receivables | 11 | **54,356** | 58,188 |
| Advance tax - net | | **31,988** | 32,251 |
| Cash and bank balances | 12 | **148,799** | 97,258 |
| | | **290,406** | 240,501 |
| | | **389,509** | 347,585 |
| **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 | | **(69,549)** | (60,773) |
| Unrealized gain on revaluation of AFS Investment | | **7,997** | 15,339 |
| | | **238,448** | 254,566 |
| **CURRENT LIABILITIES** | | | |
| Short term borrowing - secured | 13 | **-** | - |
| Creditors and other payables | 14 | **151,012** | 93,019 |
| Accrued interest | | **49** | - |
| | | **151,061** | 93,019 |
| **CONTINGENCIES AND COMMITMENTS** | | | |
| | | **389,509** | 347,585 |

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, 2020**

| | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| | | ------------(Rs. in '000)------------ | |
| **Income** | | | |
| Brokerage commission | 23 | **18,170** | 13,082 |
| Other income | 23 | **2,475** | 2,487 |
| | | **20,645** | 15,569 |
| **Expenditure** | | | |
| Operating and administrative expenses | | **27,594** | 23,393 |
| Financial charges | 23 | **158** | 110 |
| | | **27,752** | 23,503 |
| **(Loss)/profit before taxation** | | **(7,107)** | (7,934) |
| Taxation - current | | **1,669** | 1,154 |
| **(Loss)/profit after taxation** | | **(8,776)** | (9,088) |
| **Earning per share - basic and diluted (Rupee)** | | **(0.29)** | (0.30) |
| Other comprehensive income - Unrealized gain/(loss) on revalution of AFS Investı | | **(7,342)** | 4,553 |
| **Total comprehensive (loss)/income for the period** | | **(16,118)** | (4,535) |

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, 2020**

| | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| | | -----------(Rs. in '000)---------- | |
| **Cash flows from operating activities** | | | |
| (Loss)/profit before taxation | | **(7,107)** | (7,934) |
| **Adjustments for:** | | | |
| Depreciation | | **626** | 769 |
| Amortization | | **52** | 52 |
| Financial charges | | **158** | 110 |
| | | **836** | 931 |
| | | **(6,271)** | (7,003) |
| **(Increase)/decrease in assets** | | | |
| Debtors | | **(2,515)** | 16,459 |
| Short-term loans | | **56** | 89 |
| Short-term deposit, prepayments and others receivable | | **3,832** | (5,667) |
| Long term deposits | | **-** | (1,000) |
| | | **1,373** | 9,881 |
| **Increase/(decrease) in liabilities** | | | |
| Creditors and other payables | | **57,993** | (32,509) |
| **Cash (used in)/generated from operations** | | **53,095** | (29,631) |
| Income tax paid | | **(1,404)** | (1,735) |
| Financial charges paid | | **(109)** | (159) |
| **Net cash (used in)/inflow from operating activities** | | **51,582** | (31,525) |
| **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** | | **51,541** | (31,525) |
| **Cash and cash equivalents at the beginning of the period** | | **97,258** | 113,239 |
| **Cash and cash equivalents at the end of the period** | | **148,799** | 81,714 |
| **Cash and cash equivalents:** | | | |
| Cash and bank balances | 13 | **148,799** | 81,714 |

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, 2020**

| | Issued, subscribed and paid up capital | Accumulated profit/ (loss) | Total |
|---|---|---|---|
| | -------------- (Rs. in 000') | | -------------- |
| **Balance as on January 01, 2019** | 300,000 | (8,885) | 291,115 |
| Total comprehensive income for the period | - | (4,535) | (4,535) |
| **Balance as at March 31, 2019** | **300,000** | **(13,420)** | **286,580** |
| **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** |

Rahat S—

**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, 2020**

## 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. 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, 2019.

| | Note | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
|---|---|---|---|
| | | ------------(Rs. in '000)----------- | |
| **4. PROPERTY AND EQUIPMENT** | | | |
| Operating fixed assets - tangible | | **36,646** | 37,185 |
| | | **36,646** | 37,185 |
| **5. INTANGIBLE ASSETS** | | | |
| Computer software | | **78** | 84 |
| Trading Rights Entitlement Certificates | | **4,386** | 4,386 |
| | | **4,464** | 4,470 |
| **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 | | **24,308** | 31,650 |
| | | **24,308** | 31,650 |
| **8. LONG TERM DEPOSITS** | | | |
| Long-term deposits - considered good | | **6,167** | 6,167 |
| | | **6,167** | 6,167 |
| **9. DEBTORS** | | | |
| **Considered good** | | | |
| Due from clients in respect of securities transactions - secured | | **16,686** | 18,387 |
| Commission receivable - unsecured | | **12,551** | 8,352 |
| **Considered doubtful** | 9.1 | **29,237** | 26,739 |
| Due from clients in respect of securities transactions - secured | | **25,456** | 25,439 |
| Due from clients in respect of securities transactions - unsecured | | **63,140** | 63,140 |
| | | **117,833** | 115,318 |
| Less: Provision for doubtful debts | | **63,140** | 63,140 |
| | | **54,693** | 52,178 |

**9.1** Includes Rs.0.146 (2019: 0.127) million due from the holding company.

| | Note | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
|---|---|---|---|
| | | --------------(Rs. in '000)------------- | |

## 10. SHORT TERM LOANS

| | | | |
|---|---|---|---|
| Short term loans | 10.1 | **570** | 626 |
| | | **570** | 626 |

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 | | **1,043** | 100 |
| Exposure deposits | | **53,313** | 58,088 |
| | | **54,356** | 58,188 |

## 12. CASH AND BANK BALANCES

| | | | |
|---|---|---|---|
| Cash with banks: | | | |
| - Current accounts | 12.1 | **122,061** | 76,392 |
| - PLS saving accounts | 12.2 | **26,728** | 20,861 |
| Cash in hand | | **10** | 5 |
| | | **148,799** | 97,258 |

12.1 Includes accounts amounting to Rs. 116.397 (2019: Rs. 60.175) million maintained with the holding company.

12.2 Includes accounts amounting to Rs. 26.706 (2019: Rs. 20.316) million maintained with the holding company.

## 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 | 14.1 | **116,395** | 60,174 |
| Deposit from employees against vehicles | | **1,695** | 1,634 |
| Accrued liabilities | | **18,714** | 16,413 |
| Payable against purchase of securities | | **13,945** | 14,577 |
| Others | | **263** | 221 |
| | | **151,012** | 93,019 |

| | March 31, 2020 (Un-audited) | December 31, 2019 (Audited) |
|---|---|---|
| | ----------(Rs. in '000)--------- | |

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

### 15.1 Customer Assets - Bank Account

| | | |
|---|---|---|
| Bank Account Balance - Clients | **116,395** | 60,174 |

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

| | | |
|---|---|---|
| Securities held in the name of Clients' | **145,937,359** | 152,696,264 |
| Securities held in the name of Company's | **5,573,238** | 5,573,238 |

The securities held in the Company's back office record reconciling with the Central Depository System as at March 31, 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 | **91,276** | 91,464 |
| Less: provision for doubtful debts | **(63,140)** | (63,140) |
| Balance after provision for doubtful debts more than 5 days | **154,416** | 28,324 |
| Value of collateral after applying haircut on the basis of VAR | **24,622** | 22,060 |

## 18. Pattern of shareholding with percentage

| | Percentage | No. of Shares | No. of Shares |
|---|---|---|---|
| Summit Bank Limited | 100% | **29,999,996** | 29,999,996 |
| Syed Mohammad Anwar Lutfullah | 0% | **1** | 1 |
| Rahat Saeed Khan | 0% | **1** | 1 |
| Muzammil Hussain | 0% | **1** | 1 |
| Irfan Saleem Awan | 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.

| | March 31, 2020 (Un-audited) | March 31, 2019 (Un-audited) |
|---|---|---|
| | ----------(Rs. in '000)--------- | |

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

| | | |
|---|---|---|
| Proprietary Trades - Turnover | **-** | - |
| Retail Customers Trades - Turnover | **4,907** | 3,047 |
| Institutional Trades - Turnover | **4,321** | 1,660 |
| **Total Trades - Turnover** | **9,228** | 4,707 |

## 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, 2020, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 1,218,078/- which comprises basic salary, medical allowance, provident fund and other benefits as per Company's policy.

## 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 | **701** | 60 |
| Financial charges | **147** | 95 |
| Profit on bank accounts | **400** | 683 |
| Rent paid | **797** | 725 |
| Service rendered (Generator Fuel - Reimbursement) | **30** | 46 |
| Brokerage commission -Key management personnel & Director | **3** | 27 |
| Contribution paid to/(received from) Gratuity Fund | **750** | 750 |
| Contribution paid to/(received from) Provident Fund | **688** | 717 |

**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 22, 2020.

## 23. GENERAL

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

Rahat [signature]

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**