

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

		March 31, 2020	December 31, 2019
	Note	(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
		<u>99,103</u>	<u>107,084</u>
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
		<u>290,406</u>	<u>240,501</u>
		<u>389,509</u>	<u>347,585</u>
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
		<u>238,448</u>	<u>254,566</u>
CURRENT LIABILITIES			
Short term borrowing - secured	13	-	-
Creditors and other payables	14	151,012	93,019
Accrued interest		49	-
		<u>151,061</u>	<u>93,019</u>
CONTINGENCIES AND COMMITMENTS			
		<u>389,509</u>	<u>347,585</u>

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



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

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

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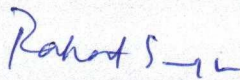
CHIEF EXECUTIVE OFFICER

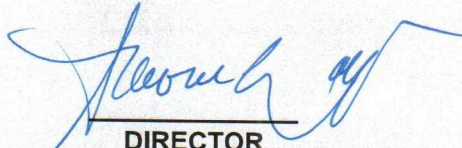
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DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
Note	-----	-----
	(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.


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

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CHIEF EXECUTIVE OFFICER

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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.

	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
Note	----- (Rs. in '000) -----	
4. PROPERTY AND EQUIPMENT		
Operating fixed assets - tangible	<u>36,646</u>	<u>37,185</u>
	<u>36,646</u>	<u>37,185</u>
5. INTANGIBLE ASSETS		
Computer software	78	84
Trading Rights Entitlement Certificates	<u>4,386</u>	<u>4,386</u>
	<u>4,464</u>	<u>4,470</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>24,308</u>	<u>31,650</u>
	<u>24,308</u>	<u>31,650</u>
8. LONG TERM DEPOSITS		
Long-term deposits - considered good	<u>6,167</u>	<u>6,167</u>
	<u>6,167</u>	<u>6,167</u>
9. DEBTORS		
Considered good		
Due from clients in respect of securities transactions - secured	16,686	18,387
Commission receivable - unsecured	<u>12,551</u>	<u>8,352</u>
Considered doubtful		
Due from clients in respect of securities transactions - secured	29,237	26,739
Due from clients in respect of securities transactions - unsecured	<u>25,456</u>	<u>25,439</u>
	<u>63,140</u>	<u>63,140</u>
	<u>117,833</u>	<u>115,318</u>
Less: Provision for doubtful debts	<u>63,140</u>	<u>63,140</u>
	<u>54,693</u>	<u>52,178</u>
9.1	Includes Rs.0.146 (2019: 0.127) million due from the holding company.	

		March 31, 2020 (Un-audited) ------(Rs. in '000)-----	December 31, 2019 (Audited) -----
	Note		
10. SHORT TERM LOANS			
Short term loans	10.1	570	626
		<u>570</u>	<u>626</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		1,043	100
Exposure deposits		53,313	58,088
		<u>54,356</u>	<u>58,188</u>
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
		<u>148,799</u>	<u>97,258</u>
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
		<u>151,012</u>	<u>93,019</u>

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
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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 research 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 amounting 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

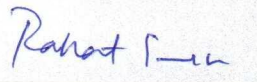
21.1 The outstanding balances of related parties are included in their respective notes to these condensed interim financial statements.

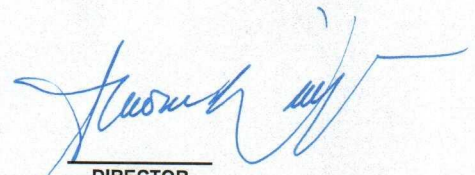
22. DATE OF AUTHORISATION

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.


CHIEF EXECUTIVE OFFICER


DIRECTOR