SUMMIT CAPITAL (PRIVATE) LIMITED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Note	September 30, 2017	December 31, 2016
		-----------(Rs. in '000)-----------	
		(Unaudited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**46,159**	45,432
Intangible assets	5	**7,931**	7,987
Long-term investment	6	**16,311**	23,310
Investment properties		**19,760**	20,062
Long term deposits	7	**5,338**	2,092
Deferred tax asset - net		**5,222**	5,222
		100,721	104,105
CURRENT ASSETS			
Debtors	8	**109,360**	64,613
Short term loans,	9	**539**	539
Short term deposits, prepayments and others receivables	10	**56,268**	63,813
Short term investment	11	**119,597**	5,995
Advance tax - net		**21,284**	21,628
Cash and bank balances	12	**90,654**	135,678
		397,702	292,266
		498,423	396,371
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		**(14,237)**	(32,201)
		285,763	267,799
CURRENT LIABILITIES			
Short term borrowing - secured	13	**91,305**	-
Creditors and other payables	14	**116,156**	126,901
Accrued interest		**5,199**	1,671
		212,660	128,572
CONTINGENCIES AND COMMITMENTS			
		498,423	396,371

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

Rahat

CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017	September 30, 2016
		-----------(Rs. in '000)-----------	
Income			
Brokerage commission	22	79,847	63,164
Unrealised gain/(loss) on revaluation of held-for-trading securities - net		(20,470)	-
Gain/(loss) on sale of securities - net		60,514	6,226
Gain/(loss) on sale of operating fixed assets		667	122
Dividend income on shares	20	374	1,034
Other income	22	8,906	13,026
		129,838	83,572
Expenditure			
Operating and administrative expenses		84,948	69,363
Financial charges	22	13,249	7,622
		98,197	76,985
Profit/(loss) before taxation		31,641	6,587
Taxation - current		13,677	7,267
Profit/(loss) after taxation / total comprehensive profit/(loss) for the period		17,964	(680)
Profit/(loss) per share - basic and diluted (Rupee)		0.60	(0.02)

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

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CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017	September 30, 2016
		-----------(Rs. in '000)----------	
Cash flows from operating activities			
Profit/(loss) before taxation		**31,641**	6,587
Adjustments for:			
Depreciation		**3,065**	3,132
Amortization		**55**	79
Unrealised (gain)/loss on revaluation of held-for-trading securities - n		**20,470**	-
(Gain)/loss on sale of securities - net		**(60,514)**	(6,226)
(Gain)/loss on sale of operating fixed assets		**(667)**	(122)
Financial charges		**13,249**	7,622
		(24,342)	4,485
		7,299	11,072
(Increase)/decrease in current assets			
Trade debtors		**(44,747)**	(84,220)
Short term loans		**-**	(251)
Short term deposit, prepayments and others receivable		**7,545**	(61,104)
Accrued mark-up		**-**	-
Long term deposits		**(3,246)**	500
		(40,448)	(145,075)
Increase/(decrease) in current liabilities			
Creditors and other payables		**(10,745)**	116,957
Short term borrowing		**91,305**	39,088
		80,560	156,045
Cash (used in)/generated from operations		**47,411**	22,042
Income tax paid		**(13,332)**	(8,172)
Financial charges paid		**(9,721)**	(7,031)
Net cash (used in)/inflow from operating activities		**24,358**	6,839
Cash flows from investing activities			
Capital expenditure incurred		**(5,234)**	(1,996)
Proceed from sale of tangible fixed assets		**2,411**	1,065
Short-term investments		**(66,559)**	6,226
Net cash (used in)/inflow from investing activities		**(69,382)**	5,295
Cash flows from financing activities			
Long term loan		**-**	-
Net cash used in financing activities		**-**	-
Net decrease in cash & cash equivalents		**(45,024)**	12,134
Cash and cash equivalents at the beginning of the period		**135,678**	112,362
Cash and cash equivalents at the end of the period		**90,654**	124,496
Cash and cash equivalents:			
Cash and bank balances	12	**90,654**	124,496

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

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CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid up capital	Accumulated loss	Total
	(Rs. in 000')		
Balance as on January 01, 2016	300,000	(40,735)	259,265
Total comprehensive income for the period	-	(680)	(680)
Balance as at September 30, 2016	**300,000**	**(41,415)**	**258,585**
Balance as on January 01, 2017	300,000	(32,201)	267,799
Total comprehensive income for the period	-	17,964	17,964
Balance as at September 30, 2017	**300,000**	**(14,237)**	**285,763**

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CHIEF EXECUTIVE OFFICER

DIRECTOR

SUMMIT CAPITAL (PRIVATE) LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

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 Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives 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 245 of the Companies Ordinance, 1984. 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, 2016.

	Note	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
		-----------(Rs. in '000)---------	

4. PROPERTY AND EQUIPMENT

	Note	September 30, 2017	December 31, 2016
Operating fixed assets - tangible		**41,906**	41,224
Capital work in progress		**4,253**	4,208
		46,159	45,432

5. INTANGIBLE ASSETS

	Note	September 30, 2017	December 31, 2016
Computer software		**190**	246
Trading Rights Entitlement Certificates		**7,741**	7,741
		7,931	7,987

6. LONG TERM INVESTMENTS

	Note	September 30, 2017	December 31, 2016
Long term investment -available for sale	6.1	**16,311**	23,310
		16,311	23,310

6.1 Pursuant to demutualisation of the Pakistan Stock Exchange Limited ('PSX' or 'the Exchange'), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualisation, the Company received 4,007,383 shares of Rs. 10 each and TREC from the PSX against its membeship card. Out of alloted 4,007,383 shares, 40% shares were received by the Company whereas, remaing 60% shares were transferred in a blocked CDC account under the PSX particpant Id which were meant for selling to strategic investor, general public and financial institutions and proceeds to be paid to the Company.

During the year 2016, Divestment Committee of the Exchange had issued an inviation for Expression of Interest of acquiring upto 40% equity stake in PSX held in blocked CDC account. Thereafter, bids were submitted by interested pesons and as a result of bidding process, share price of Rs. 28.00 per share had been offered by the anchor investor / successful investor and accordingly, the Share Purchase Agreement (SPA) was signed between PSX, Divestment Committee of PSX and anchor investor for sale of 40% equity stake in PSX at share price of Rs. 28.00 per share. Subsequent to December 31, 2016, the SPA has been executed and PSX has transferred the sale proceeds at Rs. 25.20 per share in March 2017, after retaining 10% of the sale price for one year, to settle any outstanding liabilities of PSX in terms of SPA. The Company received payment of 20% equity stake proceeds at Rs. 28.00 per share on June 30, 2017 from PSX.

7. LONG TERM DEPOSITS

	Note	September 30, 2017	December 31, 2016
Long-term deposits - considered good		**5,338**	2,092
		5,338	2,092

8. TRADE DEBTS

	Note	September 30, 2017	December 31, 2016
Considered good			
Due from clients in respect of securities transactions - secured		**60,222**	11,230
Commission receivable - unsecured		**26,068**	14,824
Receivable against sale of securities from clearing house		**-**	15,489
	8.1	**86,290**	41,543
Considered doubtful			
Due from clients in respect of securities transactions - secured		**23,070**	23,070
Due from clients in respect of securities transactions - unsecured		**61,125**	61,125
		170,485	125,738
Less: Provision for doubtful debts		**61,125**	61,125
		109,360	64,613

8.1 Includes Rs.1.659 (2016: 0.988) million due from the holding company.

9. SHORT TERM LOANS

	Note	September 30, 2017	December 31, 2016
Short term loans	9.1	**539**	539
		539	539

9.1 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.

10. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	September 30, 2017	December 31, 2016
Prepayments		**889**	387
Exposure deposits		**55,379**	63,410
Other receivable		**-**	16
		56,268	63,813

	Note	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
		(Rs. in '000)	

11. SHORT TERM INVESTMENTS

	Note	September 30, 2017	December 31, 2016
At fair value through profit and loss (held-for-trading)	11.1	119,597	5,995

11.1 At fair value through profit and loss (held-for-trading)

2017 (No. of Shares)	2016 (No. of Shares)		2017 Cost	2017 Market Value	2016 Market Value
			(Rs. In '000)		
		Listed Ordinary Shares			
10,000	-	Engro Corporation Limited	3,800	3,031	-
30,000	-	International Steel Limited	3,761	3,634	-
20,000	-	MCB Bank Limited	5,091	4,180	-
1,000	-	Millat Tractors Limited	1,396	1,248	-
55,000		Pakistan Refinery Limited	4,450	2,611	
267,500	-	Pakistan Stock Exchange Limited	7,558	6,096	-
	50,000	Sui Southern Gas Company Limited	-	-	2,726
900,000	-	Tariq Glass Limited	108,011	94,626	-
-	75,000	Treet Corporation Limited	-	-	3,269
1,500,000	-	Trust Investment Bank Limited	6,000	4,171	-
			140,067	119,597	5,995

12. CASH AND BANK BALANCES

	Note	September 30, 2017	December 31, 2016
Cash with banks:			
- Current accounts		89,811	99,259
- PLS saving accounts		820	36,406
Cash in hand		23	13
		90,654	135,678

12.1 Includes aggregate balance of Rs. 90.456 (2016: Rs. 99.125) million maintained with the holding compan

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

	Note	September 30, 2017	December 31, 2016
Due to clients in respect of securities transactions	14.1	89,762	114,377
Deposit from employees against vehicles		856	821
Accrued liabilities		13,337	11,628
Payable against purchase of securities to clearing house		12,142	-
Others		59	75
		116,156	126,901

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	----------(Rs. in '000)---------	

15. Customer Assets - Bank Account & Central Depository System

15.1 Customer Assets - Bank Account

Bank Account Balance - Clients	**89,762**	98,888

15.2 Customer Assets - Securities (Number of shares)

Securities held in the name of Clients'	**##########**	115,107,615
Securities held in the name of Company's	**8,365,031**	5,606,531

The securities held in the Company's back office record reconciling with the Central Depository System as at September 30, 2017.

16. Pledged Securities

Pledged with PSX on behalf of Company (for Base Minimum Capital)	**38,786**	16,030
Pledged with PSX on behalf of Clients	**2,811**	62,856
Pledged with Summit Bank Limited on behalf of client	**146,402**	262,523
Total value of pledged securities	**187,999**	341,409

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 equity trade debtors	144,417	95,426
Less: Trade debtors within 5 days	16,226	3,000
Trade debtors above 5 days	128,191	92,426
Less: provision for doubtful debts	61,125	61,125
Balance after provision for doubtful debts above 5 days	67,066	31,301
Value of collateral against trade debtors	180,060	27,599

		September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
		----------(Rs. in '000)---------	

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
Muhammad Faisal	0%	-	1
Gulrays Khan	0%	1	1
Noor Muhammad	0%	1	-
Rahat Saeed Khan	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. Mr. Muhammad Faisal resigned from the Board of Directors on June 19, 2017. Mr. Noor Muhammad appointed as a Director on August

	September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
	----------(Rs. in '000)---------	

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

Proprietary Trades - Turnover	-	-
Retail Customers Trades - Turnover	**30,937**	24,882
Institutional Trades - Turnover	**17,418**	12,151
Total Trades - Turnover	**48,356**	37,033
	48,355	

20. Income from dividends

Income from dividends	**374**	1,004

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

At present, SCPL employs 4 members in its reserach department (including head of research, one senior research analysts, one junior research analyst 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 September 30, 2017, the personnel employed in the Research Department have drawn an aggregate salary and benefits amouting to Rs. 4,040,090 which comprises basic salary, medical allowance, provident fund and other benefits as per Companyy's policy.

	Note	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
		----------(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

	2017	2016
Brokerage commission	**8,871**	5,983
Financial charges	**13,241**	7,612
Profit on bank accounts	**137**	481
Rent paid	**2,108**	1,917
Shares purchased from holding company	**1,377,867**	1,047,579
Shares sold to holding company	**(1,268,377)**	(1,048,824)
Government Securites purchased from holding company	**-**	492,456
Government Securities sold to holding company	**-**	506,933
Repurchase agreement borrowing	**-**	6,289,164
Repurchase agreement borrowing repaid	**-**	(6,289,164)
Running finance availed (Highest)	**372,805**	200,957
Running finance paid (Highest)	**(372,805)**	(200,957)
Brokerage commission -Key management personnel	**620**	275
Contribution paid to/(received from) Gratuity Fund	**1,800**	1,200
Contribution paid to/(received from) Provident Fund	**2,175**	1,708

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 October 24, 2017.

24. GENERAL

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

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CHIEF EXECUTIVE OFFICER

DIRECTOR