

HALF YEARLY REPORT (AUDITED)
DECEMBER 31, 2017



Contents

02

Company information

03

Vision & mission statements

04

Notice of annual general meeting

06

Profile of board of directors

07

Chairman Review Report

09

Directors' report to the members

19

Six Years at a Glance

20

Statement of compliance with the code of corporate governance

22

Review report to the members on Statement of Compliance with code of corporate governance

23

Auditors' report to the members

24

Statement of financial position

25

Statement of comprehensive income

26

Cash flow statement

27

Statement of changes in equity

28

Notes to the financial statements

54

Pattern of shareholding

Annexure

Form of Proxy

Company Information

Board of Directors

Mr. Murad Ansari - Chairman
Mr. Ahmed Youssef - Director
Mr. Mohamed Ebeid - Director
Mr. Mohamed Abdel Khabir - Director
Mr. Fayyaz Ilyas - Director
Mr. Hayat Javed - Director
Mr. Rahat Aziz - Director
Mr. Muzzammil Aslam - CEO

Audit Committee

Mr. Mohamed Abdel Khabir - Chairman
Mr. Ahmed Youssef - Member
Mr. Fayyaz Ilyas - Member
Mr. Rahat Aziz - Member

HR & R Committee

Mr. Mohamed Ebeid - Chairman
Mr. Murad Ansari - Member
Mr. Hayat Javed - Member
Mr. Muzzammil Aslam - Member

Company Secretary

Mr. Shahid Kamal

Chief Financial Officer

Mr. Ahmad Zakir Hafeez

Auditors

M/s. Riaz Ahmad, Saqib, Gohar & Company Chartered Accountants 5-Nasim, C.H.S. Major Nazir Bhatti Road, Off: Shaheed-e-Millat Road, Karachi, Pakistan.

Legal Advisor

Qazi Umair Ali
Hafeez Pirzada Law Associates, 7-A, First Sunset Street
DHA Phase II, Karachi, Pakistan.

Share Registrar

F.D.Registrar Services (SMC-Pvt.) Limited
Office No. 1705-A, 17th Floor, Saima Trade Tower,
I. I. Chundrigar Road, Karachi.

Bankers

MCB Bank Limited
Bank Alfalah Limited
Askari Bank Limited
United Bank Limited
Allied Bank Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Silk Bank Limited
The Bank of Khyber
Summit Bank Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited

Registered Office

Office No. 904, 9th Floor, Emerald Tower,
Plot No. G-19, Block-5, Clifton, Karachi, Pakistan.

Lahore Branch

319 Siddiq Trade Centre, 72 Main Boulevard,
Gulberg, Lahore, Pakistan.

Website

www.efghermespakistan.com

MISSION

Our mission is to contribute to the ideal growth of the Pakistani capital market. We are committed to being a best-in-class intermediary with the highest ethical principles in order to provide clients with the best execution services and innovative products.

VISION

Our vision is to develop EFG Hermes Pakistan on a professional basis - stemming from EFG Hermes' guiding principles in order to become the leading market player in the financial services sector and a valued contributor in the development of financial markets. We seek to create and maximize stakeholders' value by constantly trying to remain ahead of the market's perspective. We aim to work as a partner to help in attaining the best results for our clients.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

Notice is hereby given that Nineteenth Annual General Meeting of the Members of EFG Hermes Pakistan Limited ('the Company') will be held on Monday, March 26, 2018 at 5:00 pm at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, Pakistan; to transact the following businesses:

1. To confirm the minutes of the Eighteenth Annual General Meeting of the Company held on October 06, 2017;
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended December 31, 2017, together with the Directors' and Auditors' Reports thereon;
3. To appoint Statutory Auditors of the Company for the financial year ending December 31, 2018 and to fix their remuneration. The present auditors, being eligible, have offered themselves for re-appointment.
4. To elect seven (7) Directors of the Company, as fixed by the Board of Directors in accordance with Section 159(1) of the Companies Act, 2017 for a period of three (3) years. Names of retiring directors are given below:
 1. Mr. Murad Ansari
 2. Mr. Ahmed Youssef
 3. Mr. Mohamed Ebeid
 4. Mr. Mohamed Abdel Khabir
 5. Mr. Hayat Javed
 6. Mr. Rahat Aziz
 7. Mr. Fayyaz Ilyas

The retiring directors are eligible for re-election.

5. To transact any other business with the permission of the Chair.

By order of the Board

SHAHID KAMAL
Company Secretary

Karachi: March 05, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from March 19, 2018 to March 26, 2018 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the Office of Company's Share Registrar M/s. F.D. Registrar Services (SMC-Pvt) Ltd Office No. 1705-A, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan ('Registrar') at the close of business on March 16, 2018 the last working day before the start of book closure date will be considered in time to attend and vote at the Meeting.
2. Financial Statements for the half year ended December 31, 2017 will be available at the website of the Company www.efghermespakistan.com at least twenty one days before the date of meeting.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another person as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

4. Any person who seeks to contest the election of directors shall file with the Company at its registered office not later than fourteen days his/her intention to offer himself/herself for the election of the directors in terms of Section 159(3) of the Companies Act, 2017 along with (a) consent to act as director in Form 28, duly completed and signed by candidate; (b) a detailed profile along with office address for placement on the Company's website seven days prior to the date of election in terms of SRO 25(1) 2012 of 16th January 2012; and (c) declarations in respect of being compliant with the requirements of the Listed Companies Code of Corporate Governance Regulations, 2017, and the eligibility criteria as set out in the Companies Act, 2017.
5. CDC shareholders entitled to attend and vote at the meeting must bring his/her Participant ID and Account/Sub-Account number along with original CNIC or original passport to authenticate his/her identity. In case of Corporate entity, resolution of Board of Directors/Power of Attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.
6. For appointing the proxy; CDC shareholders shall submit the proxy form as per above requirements together with attested copy of CNIC or Passport of the beneficial owner and proxy. In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be submitted along with the proxy form to the Company.
 - The proxy form shall be witnessed by two witnesses with their names, addresses, and CNIC numbers. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
7. Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted:
 - Change in their addresses, if any.
 - Members, who have not yet submitted attested photocopy of their valid CNIC are requested to submit the same along with folio numbers at earliest, directly to the Company's Share Registrar M/s. F.D. Registrar Services (SMC-Pvt) Ltd.
8. For any query/information, Members may contact the Company at registered office address mentioned above. Members may also visit website of the Company www.efghermespakistan.com for notices/information.

PROFILE OF BOARD OF DIRECTORS

Mr. Murad Ansari - Director & Chairman

Mr. Murad joined EFG Hermes in 2007 and is currently Co-head of the MENA financials team. He has over 16 years' experience of equity research and sales. Before joining EFG Hermes, Murad headed equity research and later institutional sales at KASB Securities (currently BIPL Securities) of one of the largest investment banks in Pakistan. Murad holds a MBA from Institute of Business Administration, Karachi.

Mr. Ahmed Youssef - Director

Mr. Ahmed joined EFG Hermes Holdings LLC UAE in 2008. He is currently working as Head of Institutional Trading since 2014. He has also been director of EFG Hermes Frontier Holdings LLC since July 2016. He holds a Bachelor of Arts in Accounting from American University in Cairo.

Mr. Mohamed AbdelKhabir - Director

Mr. Mohamed is the Chief Financial Officer of EFG Hermes Holding. He joined EFG Hermes' Investment Banking Division in early 2008 and remained in this division until March 2016 as a director. Previously, he held the position of Financial Planning Manager at Procter and Gamble in the Corporate Finance divisions with a focus on financial planning, budgeting, corporate restructuring, integration and profit forecasting. He holds a BA in Business Administration from the American University in Cairo with a concentration in finance where he graduated with high honors and is a CFA charterholder.

Mr. Mohamed Ebeid - Director

Mr. Mohamed is the Co-CEO of Investment Bank at EFG Hermes Holding. Mohamed has over 18 years of solid and well-rounded equities experience. Mohamed joined the EFG Hermes team in 1999, as a Retail Broker with HSB, working with high net worth clients. After a successful stint on the retail side, Mohamed moved to working with institutional clients, as part of the international institutional sales desk in 2004. This new assignment saw him focusing on business development and key relationship management. He has been instrumental to the introduction of new products and services that cater to the needs of this sophisticated client base.

Mr. Fayyaz Ilyas - Director

Mr. Fayyaz is one of the partners of Falaknaz Properties/Group, a family owned firm/group engaged in the business of real estate development and a member of Association of Builders and Developers. He has a vast experience in construction and development industry comprising of over 18 years. He has expertise in sales, marketing, advertisement and architectural designs. He has attended various seminars/workshops abroad and also represented the firm/group on various forums both within the country and abroad. Mr. Fayyaz holds a Bachelor of Commerce Degree.

Mr. Hayat Javed - Director

Mr. Hayat is well conversant with the financial markets especially equity/commodity markets being actively engaged in portfolio management and trading of securities/commodities. He has been providing financial advisory services including equity market, commodity market, portfolio management, IPO offerings, customized services to provide technical analysis and investment strategies to high net worth individuals. Mr. Hayat also has expertise in business development and marketing strategies. He is a certified director from the Institute of Chartered Accountants of Pakistan.

Mr. Rahat Aziz - Director

Mr. Rahat Aziz is currently practicing as a Corporate Consultant. He is also a visiting Faculty at IBA, Karachi. The last engagement of Mr. Rahat Aziz was with Sindh Judicial Academy where he conducted several programs for all the tiers of Judiciary. He also arranged different training programs for leading institutions like SBP, SECP, Pakistan Navy, Fuji Fertilizer (BoD), Sindh Bank Limited and many others. Rahat Aziz is also one of the lead trainers of ICAP's Directors' Training Program approved by SECP. Besides this he is also Master trainer with USAID- The Asian Foundation for NPO/NGO program. Mr. Rahat Aziz has engaged with the training forums of IBA-CEE, CMEG-IoBM, EFP, NIBAF-SBF, SECPKTBA and Institute of Leadership Development. Some of his Corporate Consultancy Clients are SECP, GSK, PNSC, Artistic Group, Wood Craft Group, Souvenir Group, Italian Development Council, Manhattan Communications and Sindh Environmental Foundation.

CHAIRMAN'S REVIEW

Review Report by the Chairman on the overall performance of Board and effectiveness of the role played by the Board in achieving the Company's objectives:

- The Board of Directors ("the Board") of EFG Hermes Pakistan Limited ("EFGH") has performed their duties meticulously in safeguarding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner, towards achieving its objective, in accordance with applicable laws and regulations.
- The Board is comprised of diverse experience of professionals. They brought with them local and international working expertise in various segments of the business. The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code of Corporate Governance ("Code") and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company.
- The Board has formed an Audit Committee and Human Resource and Remuneration Committee and has approved their respective TORs as required under the Code and has assigned them with adequate resources to achieve the desired objective effectively.
- The Board has established and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors.
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the two directors on the Board have already taken certification under the Directors Training Program and the remaining directors meet the qualification and experience criteria of the Code.
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings including its committee are appropriately recorded and maintained.
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning.
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities.
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings.

- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

On behalf of the Board, I would like to thank all the stakeholders for their trust and support. I am confident that the Company has all the ingredients necessary to achieve the expectations of all its stakeholders.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our Company and its Holding Company, Country and Nation.

Murad Ansari
Chairman

Karachi: February 19, 2018

DIRECTORS' REPORT TO THE MEMBERS

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

We, on behalf of Board of Directors of your Company, are pleased to present herewith Audited Financial Statements of the Company for the six months period (transitional period) ended December 31, 2017, together with the Auditors' Report thereon.

Principle Activities of the Business & Performance Review

The core business activity of your Company is the equity brokerage. The Company earned operating revenues of Rs. 81.051 million during six months under review as compared to 60.388 million for the corresponding period. Before and after tax loss stood at Rs. 2.878 million and Rs. 10.877 million respectively as compared to before and after tax profit Rs. 3.607 million and Rs. 2.025 million respectively for the corresponding period.

The operating results of the Company for the six months period ended December 31, 2017 are summarized as follows:

	December 31, 2017 Rupees	December 31, 2016 Rupees
Operating Revenues	81,050,508	60,387,669
(Loss)/Profit before tax	(2,877,833)	3,606,645
(Loss)/Profit after tax	(10,877,123)	2,025,273
(Loss)/Earnings per share	(0.54)	0.10

The Company suffered per share loss of Rs. 0.54 as compared to earnings per share Rs. 0.10 for the corresponding period. The reasons of deficit in earnings during the period are increase in taxation due to change in tax under section 233A on traded values of securities at the rate of 0.02% from Normal Tax Regime (NTR) adjustable to final tax regime (FTR) in Federal Budget 2017. Moreover, an increase in administrative expenses and financial charges of the Company are dragged earnings. However, the Company managed to increase operating revenue during period under review despite lower turnover in the market.

The management of the Company is of the view that the applicability of the above mentioned tax regime might be revert by the Government and expecting better turnover due to settling down of political uncertainty in the country. Ease of regulations by regulators may entice more volumes in the market. These factors discussed above may fetch better future prospects particularly for the company and the industry as a whole.

Moreover, the management of the Company is also expecting better results going forward mainly focusing on institutional business and retail business.

Dividend and other appropriations

The Directors have not recommended any payout due to future cash flow need to company for this period.

Post Balance Sheet Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this report.

Financial Statements

These financial statements have been endorsed by Chief Executive Officer and Chief Financial Officer of the Company, recommended for approval by the Audit Committee of the Board, and approved by the Board of Directors for presenting before the Members and for Members' consideration, approval and adoption. The auditors of the Company, M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, audited the financial statements and have issued an unqualified report to the Members.

Auditors

The present auditors, M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, shall retire at the conclusion of Annual General Meeting and being eligible for reappointment have offered themselves for the same. The Board of Directors of your Company, based on the recommendation of the audit committee of the Board, proposed M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, for reappointment as auditors of the Company for the ensuing year.

Credit Rating

The Pakistan Credit Rating Agency (PACRA) has conducted the ratings of the Company. For long term A- (A minus) and for short term A1 (A one) ratings have been assigned. These ratings reflect low expectation of credit risk and strong capacity for timely repayments of financial commitments.

Change of Financial Year

Since the Company has changed the financial year from June end to December end so as to correspond with financial year of its Holding Company "EFG Hermes Frontier Holdings LLC (UAE). In this respect, the Company has sought approval for the said change from Tax Authority.

The Name and Country of Origin of the Holding Company

The Name of Holding Company is EFG Hermes Frontier Holdings LLC having its office at Unit 6, Gate Building, West Wing, Dubai International Financial Centre, P.O.Box 30727, Dubai, UAE.

Corporate Social Responsibility

The Company acknowledges the importance of corporate social responsibility and necessary measures are taken to fulfill its responsibilities.

The Company being a service provider in nature of business undertakes necessary measures in respect of energy conservation and environment protection at its offices premises and safety and health of its employees.

The Company has established proper systems and procedures to avoid corruption and to operate the Company in a professional and ethical manner to protect the clients and also otherwise.

The Company has excellent relationships with its peers, bankers, regulators and other relevant institutions / organizations.

The Directors fully recognizing the social responsibilities are of the view that the provisions for charity, community welfare etc. will be considered in future depending on the Company's profitability/financial health.

The Company's contribution to National Exchequer in the form of taxes and levies is given in the notes to the financial statements.

Corporate Governance

The Directors confirm compliance with the Corporate & Financial Reporting Framework of the Code of Corporate Governance for the annexed below:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements except for the changes given in notes to the financial statements, if any; and accounting estimates are based on reasonable and prudent judgments.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departures there from has been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) Key operating and financial data for last six years in summarized form is annexed.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on December 31, 2017 except for those disclosed in financial statements.
- i) The Company operates an approved contributory provident fund for its eligible employees. Value of investments as per un-audited financial statements for the period ended December 31, 2017 amounts to approximately Rs. 12,917,464/-.
- j) - During the period two (2) meetings of Board of Directors were held. Attendance by each Director was as follows:

S. No.	Name of Director	No. of meetings eligible to attend	No. of meetings attended
1.	Mr. Murad Ansari	2	2
2.	Mr. Ahmed Youssef	2	2
3.	Mr. Mohamed Ebeid	2	2
4.	Mr. Mohamed AbdelKhabir	2	2
5.	Mr. Fayyaz Ilyas	2	0
6.	Mr. Hayat Javed	2	2
7.	Mr. Rahat Aziz	2	2

Leave of absence was granted to Directors who could not attend the Board meetings.

- During the period two (2) meetings of Audit Committee were held. Attendance by each Member was as follows:

S. No.	Name of Member	No. of meetings eligible to attend	No. of meetings attended
1.	Mr. Mohamed Abdel Khabir	2	2
2.	Mr. Ahmed Youssef	2	2
3.	Mr. Fayyaz Ilyas	2	0
4.	Mr. Rahat Aziz	2	2

Leave of absence was granted to Members/Directors who could not attend the Audit Committee meetings.

- During the period no meeting of Human Resource and Remuneration Committee (HRRC) was held.

- k) Pattern of shareholding is annexed at the end of report.
- l) The Directors have gone through an in-house orientation courses/training programs held on October 23, 2017. Two Directors have necessary certification in respect of Directors' Training Program (DTP).
- m) The Company is not in default or likely to default in any loans, sukuks or other debt instruments.
- n) The Directors and Executives including their respective spouses and minor children have not traded in the shares of the Company during the period

(For the clause 'n' above (i.e. clause 5.19.11(xii)) and clause 5.19.15 of the Code of Corporate Governance the term/expression 'Executive' includes, in addition to Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, all other employees of the Company having basic salary of Rs. 1,200,000/- or above in a financial year.)

Economic Overview

Pakistan's economy posted a real growth of 5.28% in FY17 (highest in this decade), with contributions ranging from all key sectors. Based on government forecasts and estimates of various international financial institution, the country is expected to exhibit growth of 5.5%-5.75% in FY18.

On the monetary front, the Central Bank in its recent monetary policy has increased the policy rate by 25bps to 6.00%. We expect another increase of 25bps in FY18 owing to increasing oil prices which would push the inflation up, and do not foresee significant jump. Low rate would continue to play instrumental role in bolstering productivity in the manufacturing sector.

Pakistan has continued to face economic challenges, where country's current and fiscal deficit stood at 4.10% and 5.80% of the GDP during FY17. While recovering exports would slightly support the CAD, higher tax receipts would help curtail the fiscal deficit number. Recently, the country has successfully issued USD2.5bn Sukuk and Eurobond, given current deficit number we expect further issues going forward.

To further support the exports, govt. will have to: 1) combat structural issues faced by the export oriented sectors; 2) further extend export-friendly policies; and 3) further devaluation of the currency.

Market Performance

After posting a negative return of 3% during 1HCY17, KSE100 lost another 13% during latter half of the year. This was primarily driven by: 1) uncertain political environment with Supreme Court's decision against Ex-PM and continuous resistance from the opposition impacting investors' sentiments adversely, and ii) expected post-MSCI EM reclassification sell-off.

Future Prospects and Outlook (Industry)

While we do not rule out political uncertainty as we draw closer to the elections, which in addition to worrisome economic numbers like deteriorating current account deficit would impact the market's performance, we believe sector-specific fundamentals would direct the market north wards. While recovery in oil prices backed by planned cuts in production level would generate interest in the Oil and Gas sector, uptick in financing and potential rate hikes (in addition to the recent 25bps hike) would poise well for the Banks. Other sectors would also remain under limelight given planned expansions, supporting operating environment and increased demand.

Acknowledgements

The Board of Directors of your Company wishes to place on record its gratitude to the regulators, its bankers, members, clients and business partners for their continued cooperation and support. Further, the Board appreciates the valuable, loyal, and commendable services rendered to the Company by its employees.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our Company, Country and Nation.

On behalf of the Board of Directors

Chief Executive Officer

Director

Karachi: February 19, 2018

ڈائریکٹرز رپورٹ برائے ممبران
شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔

محترم ممبران

السلام علیکم

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی ششماہی مدت (عموری مدت) 31 دسمبر 2017 کو ختم ہونے والی کمپنی کی آڈٹ شدہ مالی تفصیلات، آڈیٹرز کی رپورٹ کے ساتھ پیش کرتا ہوں۔

بنیادی کاروباری سرگرمیاں اور کارکردگی کا جائزہ:

آپ کی کمپنی کی بنیادی کاروباری سرگرمی ایکویٹی بروکر ہج ہے۔ اس ششماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی مد میں 81.051 ملین روپے کمائیے جبکہ گذشتہ سال اسی مدت کے دوران 60.388 روپے کمائیے تھے۔ قبل از ٹیکس اور بعد از ٹیکس نقصان 2.878 ملین اور 10.877 ملین روپے بالترتیب ہے جبکہ گذشتہ سال اسی مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس منافع 3.607 ملین اور 2.025 ملین روپے بالترتیب تھا۔

کمپنی کے کاروباری نتائج ششماہی مدت کیلئے مورخہ 31 دسمبر 2017 درج ذیل ہیں۔

31 دسمبر	31 دسمبر	
2016	2017	
روپے	روپے	
60,387,669	81,050,508	آمدنی (کاروبار سے حاصل شدہ آمدنی)
3,606,645	(2,877,833)	(نقصان) / منافع قبل از ٹیکس
2,025,273	(10,877,123)	(نقصان) / منافع بعد از ٹیکس
0.10	(0.54)	فی حصص (نقصان) / آمدنی

کمپنی کو زیر غور مدت کے دوران فی حصص نقصان مبلغ 0.54 روپے ہوا جبکہ گذشتہ سال اسی مدت کے دوران فی حصص منافع مبلغ 0.10 روپے ہوا تھا۔ دوران مدت وفاقی بجٹ 2017 میں سیکورٹیز کے تجارتی حجم پر ٹیکس کی سیکشن 233A کے تحت بشرح 0.02 فیصد ٹیکس نارمل ٹیکس رجیم (NTR) سے فائل ٹیکس رجیم (FTR) میں لے جانے کی وجہ سے خسارے میں اضافے کی وجہ بنی۔ مزید یہ کہ، کمپنی کے انتظامی اخراجات اور فنانس چارجز میں اضافہ بھی آمدنی میں کمی کا باعث بنی۔ تاہم، دوران مدت مارکیٹ میں کم ٹرن اور کے باوجود کمپنی نے آپریٹنگ آمدنی بڑھانے کیلئے بہتر انتظامات کئے۔

کمپنی کی انتظامیہ کے خیال میں شاید گورنمنٹ مندرجہ بالا ٹیکس کا نفاذ واپس لے لے گی اور ملکی سیاست میں غیر یقینی صورتحال میں کمی کی وجہ سے ٹرن اور میں بہتری آئے گی۔ ریگولیشنز کی جانب سے ریگولیشنز میں آسانی مارکیٹ میں حجم بڑھا سکتی ہے۔ اوپر بیان کئے گئے حقائق خاص کر کمپنی اور مجموعی طور پر صنعت کیلئے پُرکشش مستقبل کا امکان پیدا کر سکتے ہیں۔

مزید یہ کہ، کمپنی انتظامیہ خصوصاً انسٹیٹیوشنل کاروبار اور ریٹیل کاروبار پر توجہ مرکوز کر کے آگے بڑھنے کیلئے بہتر نتائج کی توقع کر رہی ہے۔

تقسیم شدہ منافع اور دیگر تخصیص

کمپنی کو آنے والے دنوں میں رقم کی ضرورت کے پیش نظر ڈائریکٹرز نے اس عرصے کیلئے کسی ادائیگی کی اجازت نہیں دی۔

پوسٹ بیلنس شیٹ وقوع

کمپنی کے مالی سال کے اختتام پر کمپنی کی مالی پوزیشن میں کوئی خاص تبدیلی نہیں کی گئی جس سے بیلنس شیٹ کا تعلق ہو۔

مالیاتی گوشوارے

کمپنی کے چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے مالیاتی گوشواروں کی تفصیلات تصدیق کر کے بورڈ کی آڈٹ کمیٹی کو منظوری کیلئے بھیجیں اور بورڈ آف ڈائریکٹرز نے ممبران کے سامنے پیش کرنے اور ممبران کو اس پر غور کرنے، منظور کرنے اور اختیار کرنے کیلئے منظوری دی۔ کمپنی کے آڈیٹرز میسرز ریاض احمد، ثاقب، گوہرا اینڈ کمپنی کے چارٹرڈ اکاؤنٹنٹس نے مالیاتی گوشواروں کا آڈٹ کیا اور میسرز کو غیر مشروط رپورٹ جاری کی۔

محاسب / آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد، ثاقب، گوہرا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور انہوں نے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی رپورٹ کی بنیاد پر میسرز ریاض احمد، ثاقب، گوہرا اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو مابعد سال کے لئے بطور آڈیٹرز دوبارہ تعیناتی کی منظوری دی ہے۔

کریڈٹ درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی کریڈٹ درجہ بندی کی۔ طویل المیعاد کیلئے A- (منفی اے) اور مختصر مدت کیلئے A1 (اے ون) درجہ دیا گیا۔ یہ درجہ بنیادیں کریڈٹ رسک کی کم توقعات کی عکاسی کرتی ہیں اور بروقت مالی ادائیگیوں کیلئے مضبوط صلاحیت رکھتی ہیں۔

مالی سال کی تبدیلی

کمپنی نے اپنی ہولڈنگ کمپنی EFG Hermes Frontier Holdings LLC, UAE کے مالی سال سے مطابقت کیلئے مالی سال کو جون کے اختتام کے بجائے دسمبر کے اختتام سے تبدیل کر دیا ہے۔ اس حوالے سے کمپنی نے ٹیکس اتھارٹی سے مندرجہ بالا تبدیلی کی منظوری حاصل کر لی ہے۔

ہولڈنگ کمپنی کا نام اور شناخت

ہولڈنگ کمپنی کا نام ای ایف جی ہرمز فرنٹیر ہولڈنگز ایل ایل سی ہے جس کا دفتر یونٹ 6، گیٹ بلڈنگ، ویسٹ ونگ، دبئی انٹرنیشنل فنانشل سینٹر، پی۔ او۔ بکس 30727، دبئی، متحدہ عرب امارات میں واقع ہے۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی کارپوریٹ سماجی ذمہ داری کی اہمیت کو سمجھتی ہے اور ان ذمہ داریوں کو نبھانے کیلئے ضروری اقدامات اٹھائے گئے ہیں۔

کمپنی جس کے کام کی نوعیت خدمات مہیا کرنا ہے نے توانائی اور ماحولیاتی حفاظت کے لیے اپنے دفاتر کی جگہ اور اپنے ملازمین کی صحت اور حفاظت کے لیے ضروری اقدامات کیے ہیں۔

کمپنی نے کرپشن سے بچاؤ، کمپنی کو اخلاقی و پیشہ ورانہ انداز میں چلانے، اپنے گاہکوں اور دیگر کی حفاظت کیلئے مناسب طریقہ پر نظام قائم کیا ہے۔

کمپنی کے اپنے ساتھیوں، بینکرز، ریگولیٹرز اور دیگر متعلقہ اداروں / تنظیموں کے ساتھ مثالی تعلقات ہیں۔

ڈائریکٹرز اپنی سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہیں اور ان کے خیال میں چندہ، خدمت خلق پر آئندہ غور کیا جاسکتا ہے جس کا انحصار کمپنی کے منافع / مالی استحکام پر ہے۔

کمپنی نے جوئیکس اور ڈیوٹی ادا کی ہے اس کا ذکر مالیاتی گوشواروں کے نوٹس میں کیا گیا ہے۔

کاروباری نظم و نسق

ڈائریکٹرز نے کاروباری اور مالیاتی رپورٹنگ ڈھانچے کے ضابطہ برائے کاروباری نظم و نسق کی تصدیق کی ہے جو کہ درج ذیل ہے۔

(a) مالیاتی گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کیے جن میں آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا۔

(b) کمپنی کے کھاتے صحیح طریقہ پر تیار کیے گئے۔

(c) مالیاتی گوشواروں کی تیاری میں مستقل مناسب اکاؤنٹنگ پالیسی اختیار کی گئی، مساوائے ان تبدیلیوں کے جن کا ذکر مالیاتی گوشواروں کے نوٹس میں کیا گیا؛ اور اکاؤنٹنگ کے تخمینے مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(d) مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار اختیار کیا گیا اور وضاحت کے ساتھ بیان کیا گیا اور اس سے کوئی بھی انحراف مناسب طور پر واضح اور بیان کیا گیا ہے۔

(e) اندرونی کنٹرول کا نظام بہترین بنا کر اسے نافذ کیا اور نگرانی کی گئی۔

(f) کمپنی کے کاروبار کے جاری رہنے پر کوئی نمایاں شبہات نہیں ہیں۔

(g) گزشتہ چھ سالوں کے خاص کاروباری اور مالیاتی اعداد و شمار مختصر طور پر منسلک ہیں۔

(h) ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں کسی طرح کے قانونی بقایا جات نہیں ماسوائے ان کے جن کو 31 دسمبر 2017 کے مالیاتی گوشواروں میں ظاہر کیا گیا۔

(i) کمپنی اپنے اہل ملازمین کے لیے منظور شدہ پروویڈنٹ فنڈ چلاتی ہے جس کی سرمایہ کاری کی رقم غیر آڈٹ شدہ مالی تفصیلات کے مطابق 2017-12-31 کے اختتام پر تقریباً مبلغ 12,917,464 روپے ہے۔

(j) اس مدت کے دوران بورڈ آف ڈائریکٹرز کے دو (2) اجلاس منعقد ہوئے ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاس کی تعداد (قابل حاضری)	اجلاس کی تعداد (جن میں حاضر ہوئے)
۱	جناب مراد انصاری	2	2
۲	جناب احمد یوسف	2	2
۳	جناب محمد عبید	2	2
۴	جناب محمد عبدالنجیر	2	2
۵	جناب فیاض الیاس	2	0
۶	جناب حیات جاوید	2	2
۷	جناب راحت عزیز	2	2

جو ڈائریکٹرز بورڈ کے اجلاس میں حاضر نہیں ہو سکے انہیں غیر حاضری کی منظوری دے دی گئی۔

دوران مدت آڈٹ کمیٹی کے دو (2) اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری درج ذیل ہے۔

نمبر شمار	ممبر کا نام	اجلاسوں کی تعداد (قابل حاضری)	اجلاس کی تعداد (جن میں حاضر ہوئے)
۱-	جناب محمد عبدالجبار	2	2
۲-	جناب احمد یوسف	2	2
۳-	جناب فیاض الیاس	2	0
۴-	جناب راحت عزیز	2	2

جو ممبرز ڈائریکٹرز آڈٹ کمیٹی کے اجلاس میں حاضر نہیں ہو سکے انہیں غیر حاضری کی منظوری دے دی گئی۔

ہیومن ریسورس اینڈ ریمو نیشن کمیٹی کا اجلاس اس مدت کے دوران منعقد نہیں ہوا۔

(k) طرز حصص یا فنڈنگ سالانہ رپورٹ کے آخر میں منسلک ہیں۔

(l) ڈائریکٹرز نے 23 اکتوبر 2017 کو منعقد ہونے والے ٹریڈنگ پروگراموں / اندرون خانہ واقفیت کورس میں حصہ لیا۔ ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) میں دو ڈائریکٹروں نے سرٹیفکیٹس حاصل کیے۔

(m) کمپنی کسی بھی طرح کے قرض، سکوکس اور دیگر وغیرہ میں نادہندہ یا قابل نادہندہ نہیں ہے۔

(n) درج ذیل کے علاوہ ڈائریکٹرز اور ایگزیکٹوز بشمول انکے بیوی، بچوں نے سال کے دوران کمپنی کے حصص کی تجارت نہیں کی۔

(اوپر دی گئی شق "n" (یعنی شق (xii) 5.19.11) اور ضابطہ برائے کاروباری نظم و نسق کی شق 5.19.15 کے مطابق 'Executive' کی ٹرم / وضاحت میں کمپنی کے دیگر ملازمین جن کی بنیادی تنخواہ -/1,200,000 روپے یا اس سے زیادہ ہے 'Executive' ہیں جنہیں چاہے کسی بھی نام سے مخاطب کریں بشمول چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس آفیسر، انٹرنل آڈٹ کا سربراہ اور کمپنی سیکریٹری کے)۔

اقتصادی جائزہ

مالی سال 2017 میں، پاکستانی معیشت کے اہم شعبوں میں وسیع بنیاد (اس دہائی کی بلند ترین سطح) پر 5.28 فیصد حقیقی ترقی ہوئی۔ حکومتی پمپشن گویوں اور دیگر عالمی مالی اداروں کے تخمینوں کی بنیاد پر، توقع ہے کہ سال 2018 میں یہ ترقی 5.5 فیصد تا 5.75 فیصد تک بڑھ جائیگی۔

مانیٹری محاذ پر، سینٹرل بینک نے اپنی حالیہ مانیٹری پالیسی میں پالیسی شرح 25bps کیساتھ 6.00 فیصد تک اضافہ کیا۔ ہمیں تیل کی قیمتیں بڑھنے کی وجہ سے مالی سال 2018 میں 25bps کے ایک اور اضافے کی توقع ہے جو کہ افراط زر بڑھانے کا اور کسی اہم چھلانگ کی توقع نہیں ہے۔ کم شرح مینوفیکچرنگ کے شعبہ میں پیداوار کو مضبوط کرنے میں اہم کردار ادا کرتی رہے گی۔

پاکستان مسلسل معاشی چیلنجز کا سامنا کر رہا ہے، جہاں مالی سال 2017 کے دوران ملک کے GDP کا موجودہ اور مالیاتی خسارہ 4.10 فیصد اور 5.80 فیصد پر قائم رہا۔ جبکہ برآمدات میں ریکوری CAD کیلئے تھوڑی بہت معاون ثابت ہوگی، زیادہ سے زیادہ ٹیکس وصولیاں مالی خسارے کو کم کرنے میں مدد فراہم کریں گی۔ حال ہی میں، ملک نے کامیابی کیساتھ 2.5 بلین امریکی ڈالر کے سکوک اور یورپ بانڈ جاری کئے ہیں، حالیہ خسارے کے تناظر میں مسائل مزید آگے بڑھنے کی توقع ہے۔

حکومت کو برآمدات کے شعبہ میں درج ذیل معاملات کی اصلاح کیلئے معاونت کرنا پڑے گی: (1) برآمدی شعبوں کو درپیش اسٹریکچرل مسائل، (2) ایکسپورٹ فرینڈلی پالیسیوں میں توسیع اور، (3) کرنسی کی قدر میں کمی

مارکیٹ کارکردگی

سال 2017 کے 1H CY17 کے دوران، 3 فیصد کے منفی ریٹرن کی پوسٹنگ کے بعد KSE 100 انڈیکس میں بعد نصف سال میں 13 فیصد کا ایک اور نقصان ہوا۔ جو کہ بنیادی طور پر: (1) سابق وزیراعظم کے خلاف سپریم کورٹ کے فیصلے اور اپوزیشن کی طرف سے مسلسل مزاحمت کی بنا پر سیاسی ماحول میں بے یقینی کی فضا اور (2) متوقع IMSCI ایئر جٹ مارکیٹ میں از سر نو بحالی کی وجہ سے سرمایہ کاروں پر منفی اثرات مرتب ہوئے۔

آئندہ کے منصوبے

جبکہ ہم الیکشن کے قریب مزید سیاسی بے یقینی کی صورت حال کو مسترد نہیں کر سکتے، جسکی وجہ سے اقتصادی پریشانیوں میں اضافہ مثلاً کرنٹ اکاؤنٹ کے خسارے کی بگڑتی صورت حال مارکیٹ کی کارکردگی پر اثر انداز ہوگی، ہمیں یقین ہے کہ شعبوں کے خاص بنیادی اصول مارکیٹ کو دوسری سمت موڑ دینگے۔ جبکہ پیداواری سطح کی منصوبہ بندی میں کمی کی حمایت سے تیل کی قیمتوں میں بحالی تیل اور گیس کے شعبوں میں دلچسپی پیدا کرے گی۔ فنانسنگ اور شرح کی تیزی میں معمولی اضافہ (حالیہ 25 بی پی ایس کے علاوہ) بینکوں کیلئے متوازن ہو گا۔ دیگر شعبے بھی دی گئی منصوبہ بندی، معاون آپریٹنگ ماحول اور بڑھتی ہوئی ڈیمانڈ کے تحت پھلتے پھولتے رہیں گے۔

تصدیق

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز خواہش رکھتے ہیں کہ ریگولیٹرز، اکنامکس، ممبران، گاہک اور کاروباری ساتھی حضرات ان کے ساتھ تعاون جاری رکھیں گے۔ بورڈ اپنے ملازمین کو ان کی خدمات کے عوض خراج تحسین پیش کرتا ہے۔

آخر میں! اللہ تعالیٰ سے دُعا ہے کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی رحمتیں اور برکتیں نازل فرمائے۔ آمین

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی 19 فروری 2018

SIX YEARS AT A GLANCE

PARTICULARS	2017 Half yearly December 31, 2017	2017 June 30, 2017	2016	2015	2014	2013
Operating Performance (Rupees in 000)						
Revenue	81,050	181,393	82,735	193,832	261,666	311,767
Operating expenses	80,342	129,290	88,603	69,002	64,689	69,226
Financial expenses	16,118	9,470	840	5,366	7,386	5,487
Other income	10,647	1,826	1,386	43,906	1,726	5,247
Gain / (loss) on revaluation of investments	1,885	908	(601)	(10,838)	12,684	3,954
(Loss) / profit before tax	(2,878)	45,367	(5,923)	149,541	200,001	246,254
(Loss) / profit after tax	(10,877)	36,903	(9,673)	138,523	191,318	230,027
Per Ordinary Shares (Rupees)						
(Loss) / earnings per share	(0.54)	1.84	(0.48)	5.66	4.06	3.48
Break-up value per share	11.98	12.79	9.59	22.82	21.70	16.16
Dividends (Percentage)						
Cash	-	-	-	202.50%	-	-
Bonus shares	-	-	-	-	-	-
Assets & Liabilities (Rupees in 000)						
Total assets	819,609	1,109,012	275,783	898,295	1,240,783	1,476,443
Current assets	729,661	1,020,230	192,449	837,024	1,158,917	1,390,900
Current liabilities	200,914	197,125	79,411	441,052	372,500	408,808
Financial Position (Rupees in 000)						
Shareholder's equity	239,832	255,967	191,932	456,805	868,282	1,067,635
Share capital	200,156	200,156	200,156	200,156	400,098	660,546
Reserves	39,676	55,810	(8,225)	256,648	468,184	407,090
Shares outstanding- (Number in 000)	20,016	20,016	20,016	20,016	40,010	66,055
Return on capital employed-(%)	-4.54%	14.42%	-5.04%	30.32%	22.03%	21.55%
Return on total assets-(%)	-1.33%	3.33%	-3.51%	15.42%	15.42%	15.58%
Current ratio-times	3.63	5.18	2.42	1.90	3.11	3.40

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE - TRANSITIONAL PERIOD (DUE TO CHANGE OF FINANCIAL YEAR) ENDED DECEMBER 31, 2017

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Rule 5.19.24 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Mr. Rahat Aziz
Non-Executive Directors	Mr. Murad Ansari Mr. Mohamed AbdelKhabir Mr. Ahmed Youssef Mr. Mohamed Ebied Mr. Fayyaz Ilyas Mr. Hayat Javed

The independent Directors meet the criteria of independence under clause 15.19.1(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancies occurred during the review period.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive and Non-Executive Directors, have been taken by the Board/Shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged an in-house orientation course/training program for its directors on October 23, 2017. Two Directors have necessary certification in respect of Directors' Training Program (DTP).

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit/Chartered Accountant Firm to whom Internal Audit Function is outsourced, including their remuneration and terms and conditions of employment.
11. The Directors' Report for the transitional period (July 01 to December 31, 2017) has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises of four members, of whom four are Non-Executive Directors including one Independent Director and the Chairman of the committee is a Non-Executive Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises four members, of whom three are Non-Executive Directors and the Chairman of the committee is a Non-Executive Director.
18. The Board has outsourced the internal audit function to M/s. UHY Hassan Naeem & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company has designated a full time employee other than CFO, as Head of Internal Audit, to act as coordinator between M/s. UHY Hassan Naeem & Co., Chartered Accountants and the Board/Audit Committee.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Chief Executive Officer

Director

February 19, 2018

RIAZ AHMAD, SAQIB, GOHAR & CO.

Chartered Accountants



5-Nasim C.H.S., Major Nazir Bhatti Road,
Off: Shaheed-e-Millat Road, Karachi.
Tel: (92-21) 34945427, 34931736
Fax: (92-21) 34932629

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of EFG Hermes Pakistan Limited (formerly Invest and Finance Securities Limited) ("the Company") for the period ended December 31, 2017 to comply with the requirements of Rule Book of the Pakistan Stock Exchange chapter 5, Clause 5.19.24 (b) of Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the period ended December 31, 2017.

Karachi: February 19, 2018

Chartered Accountants
Engagement Partner: Muhammad Kamal Gohar

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of financial position of **EFG Hermes Pakistan Limited (Formerly Invest and Finance Securities Limited) "the Company"** as at December 31, 2017 and the related statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the period then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 - 'repealed' (effective through circulars 23 issued by Securities and Exchange Commission of Pakistan (SECP), dated October 04, 2017). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 - 'repealed' (effective through circular 23 of 2017 issued by SECP, dated October 04, 2017);
- b) in our opinion:-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 - 'repealed' (effective through circular 23 of 2017 issued by SECP, dated October 04, 2017), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied with which we concur;
 - (ii) the expenditure incurred during the period was for the purpose of the Company's business;
 - (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company; and
 - (iv) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.
- c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 - 'repealed' (effective through circular 23 of 2017 issued by SECP, dated October 04, 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2017 and of the loss, its cash flows and changes in equity for the period then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi: February 19, 2018

Chartered Accountants

Engagement Partner: Muhammad Kamal Gohar

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

<u>ASSETS</u>	Note	December 31, 2017 (Audited) Rupees	June 30, 2017 (Audited) Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	40,641,566	34,658,656
Intangible assets	5	3,700,005	3,700,005
Long-term investments	6	43,906,147	49,163,833
Long-term deposits		<u>1,700,000</u>	<u>1,259,735</u>
		89,947,718	88,782,229
CURRENT ASSETS			
Trade debts	7	51,371,435	86,202,882
Short-term investments	8	199,399,200	551,657,096
Advances, deposits, prepayments and other receivables	9	131,793,751	141,331,853
Advance tax - net		57,985,088	54,332,752
Receivable under margin finance	10	178,394,718	75,505,654
Cash and bank balances	11	110,716,591	111,199,463
		<u>729,660,783</u>	<u>1,020,229,700</u>
TOTAL ASSETS		819,608,501	1,109,011,929
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 100,000,000 (June 30, 2017: 100,000,000) ordinary shares of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	12	200,156,500	200,156,500
Unrealised gain on re-measurement of 'available for sale investments' to fair value - net		21,874,706	27,132,392
Un-appropriated profit		<u>17,800,845</u>	<u>28,677,968</u>
		239,832,051	255,966,860
NON-CURRENT LIABILITIES			
Deferred tax liability - net	13	-	1,265,876
Long-term loan	14	375,000,000	650,000,000
Liabilities against assets subject to finance lease	15	<u>3,862,560</u>	<u>4,654,320</u>
		378,862,560	655,920,196
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		1,583,520	1,583,520
Short-term running finance	16	92,708,947	63,265,840
Trade and other payables	17	<u>106,621,423</u>	<u>132,275,513</u>
		200,913,890	197,124,873
CONTINGENCIES AND COMMITMENTS	18	-	-
TOTAL EQUITY AND LIABILITIES		819,608,501	1,109,011,929

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017

	Note	For the six months period ended	
		December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
OPERATING REVENUES			
Operating revenues	19	76,707,258	56,548,875
Gain on sale of investments - net		4,343,250	3,838,794
		81,050,508	60,387,669
EXPENDITURES			
Administrative and general expenses	20	(80,342,308)	(56,031,658)
Operating profit		708,200	4,356,011
Other income - net	21	3,076,767	477,041
Income on margin finance		7,570,475	-
Financial charges	22	(16,117,875)	(1,283,183)
Gain on re-measurement of investments carried at fair value through profit and loss account- net		1,884,600	56,776
		(3,586,033)	(749,366)
(LOSS) / PROFIT BEFORE TAXATION		(2,877,833)	3,606,645
TAXATION	23	(7,999,290)	(1,581,372)
(LOSS) / PROFIT AFTER TAXATION		(10,877,123)	2,025,273
Other comprehensive loss			
Unrealised loss on re-measurement of 'available for sale' investments during the period		(5,257,686)	-
Total comprehensive (loss) / income for the period		(16,134,809)	2,025,273
(Loss) / earnings per share - basic and diluted	24	(0.54)	0.10

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT

FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017

	Note	For the six months period ended	
		December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
Cash Flows From Operating Activities			
(Loss) / profit before taxation		(2,877,833)	3,606,645
Adjustments for:			
Depreciation		3,498,229	2,849,778
Financial charges		16,117,875	1,283,183
Gain on revaluation of investments carried at fair value through profit and loss account - net		(1,884,600)	(56,776)
(Gain)/loss on disposal of property, plant and equipment - net		(1,102,807)	23,819
		<u>16,628,697</u>	<u>4,100,004</u>
Profit before working capital changes		13,750,864	7,706,649
Changes in working capital			
Decrease / (increase) in current assets			
Trade debts - unsecured		34,831,447	(16,968,839)
Short-term investments		354,142,496	23,811,106
Advances, deposits, prepayments and other receivables		9,538,102	(89,022,557)
Receivable under margin finance		(102,889,064)	-
Receivable from NCCPL - net		-	(2,464,246)
		<u>295,622,981</u>	<u>(84,644,536)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(23,833,266)	91,441,049
Payable to NCCPL - net		-	(2,280,508)
Cash generated from operations		<u>285,540,579</u>	<u>12,222,654</u>
Income tax paid		(12,917,502)	(9,586,445)
Financial charges paid		(17,938,699)	(966,251)
Net cash generated from operating activities		<u>254,684,378</u>	<u>1,669,958</u>
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(10,380,982)	(3,179,543)
Proceeds from disposal of property, plant and equipment		2,002,650	-
Long-term deposits		(440,265)	50,000
Net cash used in investing activities		<u>(8,818,597)</u>	<u>(3,129,543)</u>
Cash Flows From Financing Activities			
Long-term loan paid		(275,000,000)	-
Liabilities against assets subject to finance lease		-	1,405,600
Lease rentals paid		(791,760)	-
Net cash (used in) / generated from financing activities		<u>(275,791,760)</u>	<u>1,405,600</u>
Net decrease in cash and cash equivalents		<u>(29,925,979)</u>	<u>(53,985)</u>
Cash and cash equivalents at the beginning of the period		<u>47,933,623</u>	<u>59,457,534</u>
Cash and cash equivalents at the end of the period	25	<u>18,007,644</u>	<u>59,403,549</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM JULY 01, 2017 TO DECEMBER 31, 2017

	Share capital	Unappropriated profit / (loss)	Unrealised gain / (loss) on re-measurement of 'available for sale' investments	Total
	-----Rupees-----			
Balance as at July 01, 2016	200,156,500	(8,224,779)	-	191,931,721
Total comprehensive income for the half year ended December 31, 2016	-	2,025,273	-	2,025,273
Balance as at December 31, 2016	200,156,500	(6,199,506)	-	193,956,994
Total comprehensive income for the period from January 01 to June 30, 2017	-	34,877,474	27,132,392	62,009,866
Balance as at July 01, 2017	200,156,500	28,677,968	27,132,392	255,966,860
Total comprehensive loss for the half year ended December 31, 2017	-	(10,877,123)	(5,257,686)	(16,134,809)
Balance as at December 31, 2017	200,156,500	17,800,845	21,874,706	239,832,051

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2017

1 STATUS AND NATURE OF BUSINESS

EFG Hermes Pakistan Limited (formerly Invest and Finance Securities Limited) ('the Company') was incorporated under the Companies Ordinance, 1984 - 'repealed' (now Companies Act, 2017) on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Pakistan Stock Exchange Limited. The Securities & Exchange Commission of Pakistan ("SECP") issued a Certificate of Incorporation on change of Name under Section 40 of the Companies Ordinance, 1984 - 'repealed' on 18 May, 2017 recognizing the Company as EFG Hermes Pakistan Limited (formerly Invest and Finance Securities Limited). The registered office of the Company is situated at Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block- 5, Clifton, Karachi, Pakistan.

The Company is Trading Right Entitlement Certificate (TREC) Holder of the Pakistan Stock Exchange Limited and a licensed Securities Broker registered with SECP. Furthermore, the Company is a Corporate Member of the Pakistan Mercantile Exchange Limited and is registered with/accredited by Financial Markets Association of Pakistan as Inter-bank broker and Mutual Funds Association of Pakistan as Service Provider/Distributor. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research and is well-positioned to respond to the dynamic business environment.

During the six months period ended 31 December, 2017, the Company changed its financial year from June 30 to December 31 in order to bring the financial year of the Company in line with the financial year followed by the Holding Company i.e. EFG Hermes Frontier Holdings LLC., (U.A.E). Therefore, these financial statements cover period from 01 July, 2017 to 31 December, 2017. The comparative figures in the profit and loss account, cash flow statement and statement of changes in equity are un-audited but subject to limited scope review by the auditors.

The permission for the above change in the financial year was obtained from Tax Authorities and this has also been intimated to the SECP.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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 (IFRSs) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984 - 'repealed', provisions of and directives issued under the Companies Ordinance, 1984 - 'repealed' (effective through circulars 17 & 23 of 2017 dated July 20, 2017 & October 04, 2017 respectively). In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 - 'repealed' shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except for certain short-term investments which are stated at fair value and as otherwise stated in respective policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described in note 30.

2.5 Standards, amendments and interpretations adopted during the period

The accounting policies adopted in the preparation of these financial statements are consistent with those adopted in preparation of financial statements of the Company for the year ended June 30, 2017.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Standard or Interpretation	Effective Date (Accounting periods beginning on or after)
IFRS 2 Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions.	January 1, 2018
IFRS 4 Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 1, 2018
IFRS 9 Financial Instruments	January 1, 2018
IFRS 15 Revenue from Contracts with Customers	January 1, 2018
IAS 28 Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements).	January 1, 2018
IAS 40 Investment Property - Amendments to clarify transfers or property to, or from, investment property	January 1, 2018

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018. The Company expects that such improvements to the standards will not have material effect on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 16 Leases	January 1, 2019
IFRS 17 Insurance Contracts	January 1, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution plan i.e. recognized provident fund scheme for all of its eligible employees in accordance with the trust deed and rules made there under. Equal monthly contributions are made at the rate of 10% of basic salary.

3.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to income applying the reducing balance method over the estimated useful lives of related assets, at the rates specified in note 4 to the financial statements. Depreciation is charged from the month the assets are available for use while no depreciation is charged in the month of disposal.

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the profit and loss account of the period to which it relates.

The Company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

3.3 Intangible assets

(a) TRE certificates & membership

These are stated at revalued amount. Provision is made for decline in value other than temporary, if any.

(b) Others

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

Amortization is charged to income applying the reducing balance method over the estimated useful lives of related assets. Full year's amortization on intangible assets is charged in the year of acquisition, whereas no amortization is charged in the year of disposal.

Intangible assets are capitalized when it is probable that future economic benefits attributable to the asset will flow to the enterprise and the same shall be amortized applying an appropriate amortization rate.

3.4 Assets subject to finance lease

Assets held under finance lease are accounted for by recording the asset and related liability at the amounts determined on the basis of lower of fair value of the asset and the present value of minimum lease payments.

The outstanding obligation under the lease less finance charges allocated to future periods is shown as a liability.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged on the leased assets on the basis similar to that of owned tangible assets.

3.5 Financial assets

The management determines the appropriate classification of its financial assets (including investments) in accordance with the requirements of International Accounting Standards (IAS) 39: "Financial Instruments Recognition and Measurement", at the time of the purchase and re-evaluates this classification on a regular basis. The Company classifies its financial assets in following categories:

3.5.1 Classification

(i) 'Financial assets at fair value through profit or loss' account - held for trading

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market price, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise of trade debts, advances, deposits, cash and bank balances and other receivables in the balance sheet.

(iii) Held-to-maturity

These are financial assets with fixed or determinable payments and fixed maturity which the Company has positive intent and ability to hold to the maturity.

(iv) Available-for-sale

Investments classified as 'available-for-sale' are measured at fair value. Gains or losses on 'available-for-sale' investments are recognised directly in equity until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in income. Upon impairment, gain / loss which had been previously recognised directly in the statement of comprehensive income, is included in the profit and loss account for the year.

The fair value of those investments representing listed equity and other securities i.e. debt instruments, are determined on the basis of year-end prices obtained from stock exchange quotations. Unquoted securities are valued at cost less impairment in value, if any.

3.5.2 Regular way contract

Regular purchases and sales of investments are recognized on trade date basis - i.e. on the date when the Company commits to purchase or sell the asset. All client purchases and sales are recognised on the date of settlement.

3.5.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction cost except for financial assets carried at fair value through profit or loss – held for trading. Financial assets carried at fair value through profit or loss - held for trading are initially recognized at fair value and transaction cost are expensed in the profit and loss account.

3.5.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as following:

a) 'Financial assets at fair value through profit or loss' – held for trading and available-for-sale

'Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

'Available-for-sale' financial assets are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair value of these financial assets are recognized in other comprehensive income, until the available-for-sale financial assets are derecognized. At this time, the cumulative gain or loss previously recognized directly in other comprehensive income is reclassified from other comprehensive income to profit or loss as a reclassification adjustment.

Unquoted investments, where active market does not exist and fair value cannot be reasonably calculated, are carried at cost.

b) 'Loans and receivables' and 'held-to-maturity'

'Loans and receivables' and 'held-to-maturity' financial assets are carried at amortized cost.

3.5.5 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognized immediately as an expense in the profit and loss account. In case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in comprehensive income, is reclassified from other comprehensive income and recognized in the profit and loss account. Impairment losses on equity financial assets recognized in profit and loss account are not reversed through profit and loss account.

3.5.6 Derecognition

Financial assets are derecognized when the right to receive cash flows from the financial assets have expired, have been realized or transferred, and the Company has transferred substantially all risks and rewards of ownership.

3.5.7 Reclassification

The Company may reclassify a non-derivative financial asset classified as 'held-to-trading' to 'available-for-sale' category, if the financial asset is no longer held for trading in near future. Such reclassifications are made in circumstances arising from a single event that is unusual and highly unlikely to recur in near future. Reclassifications are made at fair value of the financial asset as at the date of reclassification and such fair value becomes cost of the financial asset. Gains or losses recognized before reclassification are not subsequently reversed.

3.5.8 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.6 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include trade and other payables, running finance under mark-up arrangements, accrued mark-up on borrowing, liabilities against assets subject to finance lease, redeemable capital and dividend payable.

3.7 Foreign currency transactions

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the balance sheet date. Exchange gains or losses are included in income currently.

3.8 Revenue recognition

- (a) Brokerage, advisory fees, commission and other income are accrued as and when due.
- (b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- (c) Gains or losses on sale of investments are recognized in the period in which they arise.
- (d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- (e) Consultancy, advisory fee and service charges, are recognized as and when earned.
- (f) Unrealized capital gains / (losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

3.9 Taxation

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Borrowing cost

The borrowing costs are interest or other auxiliary cost incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account. However, borrowing costs incurred on qualifying assets are capitalized as part of the cost of the asset.

3.11 Securities sold under repurchase / purchased under resale agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as securities sold under repurchase agreements. The difference between purchase and sale is treated as mark-up expense. Investments purchased with a corresponding commitment to resell at a specified future date (Reverse Repo) including securities purchased under margin trading / margin finance are not recognized in the balance sheet. Amounts paid under these obligations are included in fund placements. The difference between purchase and resale price is treated as mark-up/ interest income.

3.12 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of amount of obligation can be made.

3.13 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts 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. Trade debts and other receivables considered irrecoverable are written off.

3.14 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.15 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.16 Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the profit/(loss) after tax for the period by the weighted average number of shares outstanding during the period.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	C O S T			December 31, 2017			WRITTEN DOWN VALUE	
	As at July 01, 2017	Additions/ (Disposals)	As at December 31, 2017	Depreciation Rate	As at July 01, 2017	Charge for the year/ (Disposals)	As at December 31, 2017	As at December 31, 2017
	-----Rupees-----			%	-----Rupees-----			Rupees
Owned								
Building	1,325,000	2,703,200	4,028,200	10	909,203	65,843	975,046	3,053,154
Furniture and fixtures	18,563,065	-	18,563,065	10	2,668,584	794,724	3,463,308	15,099,757
Office equipment	4,675,931	149,656	4,825,587	10	1,912,733	140,654	2,053,387	2,772,200
Computers	6,934,633	7,528,126 (171,950)	14,290,809	33	4,422,944	1,253,316 (162,975)	5,513,285	8,777,524
Vehicles	19,704,078	- (2,781,880)	16,922,198	20	14,039,420	502,810 (1,891,012)	12,651,218	4,270,980
Leased								
Vehicles	9,897,000	-	9,897,000	20	2,488,167	740,882	3,229,049	6,667,951
	<u>61,099,707</u>	<u>10,380,982</u> <u>(2,953,830)</u>	<u>68,526,859</u>		<u>26,441,051</u>	<u>3,498,229</u> <u>(2,053,987)</u>	<u>27,885,293</u>	<u>40,641,566</u>

Particulars	C O S T			June 30, 2017			WRITTEN DOWN VALUE	
	As at July 01, 2016	Additions/ (Disposals)	As at June 30, 2017	Depreciation Rate	As at July 01, 2016	Charge for the year/ (Disposals)	As at June 30, 2017	As at June 30, 2017
	-----Rupees-----			%	-----Rupees-----			Rupees
Owned								
Building	1,325,000	-	1,325,000	10	863,003	46,200	909,203	415,797
Furniture and fixtures	18,563,065	-	18,563,065	10	902,531	1,766,053	2,668,584	15,894,481
Office equipment	3,957,723	826,975 (108,767)	4,675,931	10	1,746,542	236,502 (70,311)	1,912,733	2,763,198
Computers	5,271,403	1,824,017 (160,787)	6,934,633	33	3,899,989	659,923 (136,968)	4,422,944	2,511,689
Vehicles	19,704,078	-	19,704,078	20	12,623,256	1,416,164	14,039,420	5,664,658
Leased								
Vehicles	7,400,000	2,497,000	9,897,000	20	740,000	1,748,167	2,488,167	7,408,833
	<u>56,221,269</u>	<u>5,147,992</u> <u>(269,554)</u>	<u>61,099,707</u>		<u>20,775,321</u>	<u>5,873,009</u> <u>(207,279)</u>	<u>26,441,051</u>	<u>34,658,656</u>

4.1 Disposal of property, plant and equipment

Particulars	Acquisition Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers
	-----Rupees-----						
Motor Vehicles							
Mitsubishi Lancer	1,039,000	967,601	71,399	550,000	478,601	Negotiation	Nauman Shafeeq Chaudhry
Honda City	1,742,880	923,411	819,469	1,447,650	628,181	Negotiation	Syed Mohsin Ali
	<u>2,781,880</u>	<u>1,891,012</u>	<u>890,868</u>	<u>1,997,650</u>	<u>1,106,782</u>		

Aggregate of computers and office equipment with individual book values not exceeding Rs. 50,000/-.

Acquisition Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Loss
<u>171,950</u>	<u>162,975</u>	<u>8,975</u>	<u>5,000</u>	<u>(3,975)</u>

5	INTANGIBLE ASSETS	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
	Membership - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
	Telephone booths		1,200,000	1,200,000
	Trading Right Entitlement Certificates	5.1	-	-
	Computer software	5.2	5	5
			<u>3,700,005</u>	<u>3,700,005</u>

5.1 The Company has been granted Trading Right Entitlement (TRE) Certificates in pursuance of Section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 read with Regulation 6 of the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012. These TRE Certificates represent intangible assets and are accounted for on Nil values as presently, the value of these TRE Certificates can not be determined with reasonable accuracy.

5.2 The Company is carrying the computer software at a token value of Rs. 5/- in these financial statements.

6	LONG TERM INVESTMENTS	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
	'Available-for-sale' investments	6.1	<u>43,906,147</u>	<u>49,163,833</u>

6.1 Description of 'available for sale' investments

31-Dec-17		30-Jun-17		31-Dec-17		30-Jun-17	
Number of Shares	Name of Investee Companies	Cost	Carrying Value	Cost	Carrying Value	Cost	Carrying Value
1,602,953	Pakistan Stock Exchange Ltd.	14,031,433	35,906,147	14,031,433	41,163,833	14,031,433	41,163,833
843,975	LSE Financial Services Ltd.	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
		<u>22,031,433</u>	<u>43,906,147</u>	<u>22,031,433</u>	<u>49,163,833</u>	<u>22,031,433</u>	<u>49,163,833</u>

6.2 In accordance with the requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), 4,007,383 shares of Pakistan Stock Exchange Limited ('PSX') had been allotted to the Company in lieu of membership card of KSE. In compliance of the Act, 60% shares have been sold out at a price of Rs. 28/- per share and in terms of Share Purchase Agreement Rs. 4.49 million are retained for a year to settle any outstanding liabilities of PSX. The remaining 40% i.e. 1,602,953 shares are presently in blocked account in the name of the Company under the Public Offering Regulations, 2017. However, the Company has pledged these shares with PSX to fulfill the Base Minimum Capital Requirement as per PSX Regulations. These shares have been revalued at a price of Rs. 22.40 (June 30, 2017: Rs. 25.68) as at balance sheet date. Further, two TRE Certificates of PSX (i.e. one each against TRE Certificates of Karachi Stock Exchange Limited and the Lahore Stock Exchange Limited) have been issued to the Company.

- 6.3** This represents unquoted shares of LSE Financial Services Limited ('LSEFSL') formed as an NBFC allotted as a result of (Corporatization, Demutualization and Integration) Act, 2012 in lieu of membership card of LSE. Since shares of LSEFSL are not presently tradable therefore fair value cannot be determined.

	December 31, 2017 Rupees	June 30, 2017 Rupees
7 TRADE DEBTS - UNSECURED		
Considered good	51,371,435	86,202,882
Considered doubtful	809,950	809,950
	52,181,385	87,012,832
Less: provision for doubtful debts	(809,950)	(809,950)
	51,371,435	86,202,882

Aging Analysis

Within 5 days	45,528,033	64,079,457
Above 5 days	6,653,352	22,933,375
Provision for doubtful debts	(809,950)	(809,950)

As per Brokers (licensing and operations) Regulations, 2016 trade debts for more than five days to the extent by which the amount receivable exceed the collateral held from such customer after applying haircuts on VAR basis are Rs. 4.29 million (June 30, 2017 : 6.49 million).

	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
8 SHORT - TERM INVESTMENTS			
Financial assets at fair value through profit and loss - held for trading			
Investment in shares of listed companies	8.1	-	4,237,846
Investment in Government Securities - Treasury Bills	8.2	199,399,200	547,419,250
		199,399,200	551,657,096

8.1 Investment in shares of listed companies:			December 31, 2017 Rupees	June 30, 2017 Rupees
	31-Dec-17	30-June-17		
	Number of Shares	Name of Investee Companies	Market Value	
	-	12,000		674,040
		Paper & Board Roshan Packages Limited	-	
	-	20,000		1,652,800
		Fertilizer Fauji Fertilizer Company Limited	-	
	-	12,900		1,911,006
		Oil & Gas Pakistan Petroleum Limited	-	
	-	44,900	-	4,237,846

- 8.2** The Company has pledged treasury bills of face value of Rs. 100 million (June 30, 2017: Rs. 225 million) with NCCPL against exposure deposit.

9	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
	Advances to employees - considered good		1,933,135	2,799,250
	Security deposit		1,746,600	1,686,600
	Short term deposits	9.1	114,950,000	97,450,000
	Inter-bank brokerage		4,543,505	5,638,446
	Prepayments		2,171,752	1,062,557
	Advance against LSEFSL - room	9.2	-	2,703,200
	Other receivables		6,448,759	29,991,800
			<u>131,793,751</u>	<u>141,331,853</u>

9.1 This represents deposits with the National Clearing Company of Pakistan Limited against exposure requirement.

9.2 During the period, company acquired possession of the room at LSEFSL and therefore, this amount has been re-classified from advances, deposits, prepayments to property, plant and equipment under the head of buildings.

10	RECEIVABLE UNDER MARGIN FINANCE	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
	Receivable under margin finance	10.1	<u>178,394,718</u>	<u>75,505,654</u>

10.1 The margin finance rate is 10% (June 30, 2017: 10% to 14%) and is secured against shares of listed securities.

11	CASH AND BANK BALANCES	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
	Cash in hand		90,211	191,541
	Cash at banks			
	- in deposit accounts	11.1	11,726,237	11,959,949
	- in current accounts - pertaining to brokerage house		31,930,153	9,506,903
	- in current accounts - pertaining to clients		66,969,990	89,541,070
			<u>110,626,380</u>	<u>111,007,922</u>
			<u>110,716,591</u>	<u>111,199,463</u>

11.1 These carry return ranging from 2.65% to 3.75% (June 30, 2017 : 2.5% to 3.85%) per annum.

11.2 Client(s) balances of 'nil' (June 30, 2017: Rs. 30 million) are kept in margin deposit account of respective UIN's with the National Clearing Company of Pakistan Limited.

11.3 Value of customers assets held in the Central Depository Company under Company's Participant ID as at December 31, 2017 is Rs. 1.52 billion (June 30, 2017: Rs. 1.49 billion).

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

December 31, 2017 (Number of Shares)	June 30, 2017	Ordinary shares of Rs.10/- each	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
27,015,500	27,015,500	Fully paid in cash		270,155,000	270,155,000
39,039,060	39,039,060	Issued as bonus shares		390,390,600	390,390,600
(46,038,910)	(46,038,910)	Buy back of shares	12.1	(460,389,100)	(460,389,100)
20,015,650	20,015,650			200,156,500	200,156,500

12.1 The issued and paid-up capital of the Company has been reduced from Rs. 600,496,000/- comprising 60,049,600 ordinary shares of Rs. 10/- each to Rs. 200,156,500/- comprising 20,015,650 ordinary shares of Rs. 10/- each as a result of buy back of the company's own ordinary shares under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 - 'repealed' and the Companies (Buy-Back of Shares) Rules, 1999.

Year	No. of Shares	Purchase Price Rupees	Reduction in	
			Paid-up Capital Rupees	Reserves Rupees
2014	26,044,770	15	260,447,700	130,223,850
2015	19,994,140	20	199,941,400	199,941,400
	46,038,910		460,389,100	330,165,250

13 DEFERRED TAX LIABILITY - NET

Deferred tax liability comprises of taxable / (deductible) temporary differences in respect of the following:

	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
Taxable temporary differences			
Taxable temporary difference due to			
- accelerated tax depreciation allowance		-	1,037,284
- finance lease assets		-	1,334,861
- short term investments		-	163,543
Deductible temporary differences			
Deductible temporary difference due to			
- provisions		-	(145,930)
- finance lease liability		-	(1,123,882)
Deferred tax (asset) / liability	13.1	-	1,265,876

13.1 For the year ended December 31, 2017, after incorporating taxable temporary difference of Rs. 2,097,652/- and deductible temporary differences of Rs. 1,251,267/-, net deferred tax asset has been worked out to be Rs. 124,075/-. However, deferred tax asset has been recognized only to the extent of deferred tax liability recognised in prior years, due to unforeseeable future profits.

	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
14 LONG-TERM LOAN			
Term Finance Facility I	14.1	200,000,000	200,000,000
Term Finance Facility II	14.1 & 14.2	175,000,000	450,000,000
		<u>375,000,000</u>	<u>650,000,000</u>

14.1 The loan has been obtained from a Commercial Bank with mark-up rate 6 Months KIBOR + 0.25% and are valid till May 2020 against facilities of Rs. 200 million & Rs. 175 Million respectively. These facilities are secured against irrevocable and unconditional financial guarantees provided by a bank in UAE on behalf of EFG Hermes Frontier Holdings LLC (the Holding Company) to the bank.

14.2 During the period, the company has early paid the amount of Term Finance Facility II by Rs. 275 Million due to non-utilization of funds.

15 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	December 31, 2017		June 30, 2017	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	Rupees	Rupees	Rupees	Rupees
Within one year	2,035,886	1,583,520	2,109,974	1,583,520
After one year but not later than five years	4,353,384	3,862,560	5,353,171	4,654,320
Total minimum lease payments	6,389,270	5,446,080	7,463,145	6,237,840
Less: Finance charges	(943,190)	-	(1,225,305)	-
Present value of minimum lease payments	5,446,080	5,446,080	6,237,840	6,237,840
Less: Current portion	(1,583,520)	(1,583,520)	(1,583,520)	(1,583,520)
	<u>3,862,560</u>	<u>3,862,560</u>	<u>4,654,320</u>	<u>4,654,320</u>

15.1 The Company has entered into Diminishing Musharakah agreements with an Islamic bank for lease of vehicles. As per the agreement, lease rentals are payable in monthly installments and financial charges included in lease rentals are determined on the basis of 3 Months KIBOR + 3% (June 30, 2017 : 3 Months KIBOR + 3%) on every quarter. At the end of the lease term, the Company has the option to acquire the assets.

	December 31, 2017 Rupees	June 30, 2017 Rupees
16 SHORT - TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - Secured		
Habib Bank Limited	88,062,924	63,238,487
Askari Bank Limited	4,646,023	-
MCB Bank Limited	-	27,353
	<u>92,708,947</u>	<u>63,265,840</u>

16.1 The Company has aggregate running finance facilities of Rs. 650 million (June 30, 2017 : Rs. 950 million) under mark-up arrangements. These facilities carry Mark-up at 3 months KIBOR + 2% & 1 month KIBOR + 0.10% (June 30, 2017 : 3 months KIBOR + 2% & 1 month KIBOR + 0.25%). These arrangements are valid for varying periods and are secured against pledge of listed and government securities. Securities pledged value related to client(s) were Rs. 10.26 million (June 30, 2017 : Rs. 5.48 million).

	December 31, 2017 Rupees	June 30, 2017 Rupees
17 TRADE AND OTHER PAYABLES		
Creditors	66,969,990	89,541,070
Accrued liabilities:		
Mark-up on finance	3,995,978	5,839,099
Mark-up under finance lease	150,817	128,520
Workers' Welfare Fund	8,006,299	8,006,299
Sales tax - net	2,061,844	2,914,791
Dividend payable	11,469,851	11,527,629
Accrued expenses and other liabilities	13,966,644	14,318,105
	39,651,433	42,734,443
	<u>106,621,423</u>	<u>132,275,513</u>

18 CONTINGENCIES AND COMMITMENTS

- 18.1** The Company has pledged / hypothecated TRE Certificates of Pakistan Stock Exchange Limited and 1,602,953 ordinary shares of PSX with PSX to fulfill the Base Minimum Capital requirement under the Regulations of the Exchange.
- 18.2** The income tax authorities have issued Notice under section 122(5A) read with Section 122(9) of the Income Tax Ordinance, 2001 to amend the assessment for the tax year 2013. In this regard, tax Authorities have passed an order vide decreasing tax loss claimed for the year. However, the Company has filed an appeal before the Commissioner (Appeals-III) against the above order and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matters will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.
- 18.3** The income tax authorities have issued Show Cause Notices under section 122(9) for amendment under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2010, 2011 and 2013. The Company has filed petitions in the Honorable High Court of Sindh at Karachi against notices/orders for tax years 2010 and 2011. The Honorable High Court of Sindh has granted Stay Orders in favour of the Company. In respect of tax year 2013 the Company had already filed appeal mentioned in Note 18.2 and proceedings thereof are pending till date. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.
- 18.4** The tax department has filed appeal against the Supreme Court decision in the matter of Federal Excise Duty. The PSX Stock Brokers Association is defending the case and the Company became a party with them. The management is confident that the eventual outcome of the matter will be decided in favour of the Company therefore, no provision has been recognised in these financial statements.
- 18.5** The tax department has issued Show Cause Notice under section 121(1)(d) of the Income Tax Ordinance, 2001 for best judgment assessment for the tax year 2012. The Company has filed Suit before the Honorable High Court of Sindh at Karachi for challenging notice and merger of proceedings under section 122(5A) of the Income Tax Ordinance, 2001 initiated and closed earlier by the Additional Commissioner Inland Revenue. The management is confident that the eventual outcome of the matter will be decided in favour of the Company.

- 18.6** The income tax authorities have shown their intention to charge Workers' Welfare Fund ('WWF') for tax years 2010 to 2015 and in this regard have issued various orders and show cause notices for payment of WWF for these years. The Company has filed a writ petition for tax year 2012 under Article 199 of the Constitution of Islamic Republic of Pakistan in the Honorable High Court of Sindh at Karachi for grant of stay order against the imposition of WWF. The Honorable High Court of Sindh has granted Stay Order in favour of the Company. The Honorable Supreme Court of Pakistan decreed on 10th November, 2016 that impugned amendments in the Finance Act related to WWF as unlawful. However, a review petition has been filed in the Honorable Supreme Court of Pakistan. Since the management is confident that the eventual outcome of this case will be decided in favour of the Company therefore, no provision has been made for tax year 2012 and 2013 amount of Rs. 4,443,599/- and Rs. 4,925,073/- respectively in these financial statements.
- 18.7** The income tax authorities have issued a Show Cause Notice under section 161 & 205 of the Income Tax Ordinance, 2001 for tax year 2016 whereby the demand of Rs. 5,308,985 has been raised on account of short payment of withholding tax for the said year. The Company has filed response against the Show Cause Notice for recovery of unlawful demand. The management is confident that the eventual outcome of the case will be decided in favor of the Company. Accordingly, no provision has been made in these financial statements.
- 18.8** The Company received a show cause notice from the Sindh Revenue Board under section 23 (1) of the Sindh Sales tax on Services Act, 2011 whereby the sales tax authorities are demanding additional output tax of Rs. 3,755,845 & Rs. 1,027,176 for tax year 2015 & 2016 respectively. The management believes that the above demand is unlawful and expects that the case will be decided in favor of the Company. Therefore, no provision has been made in these financial statements.
- 18.9** The income tax authorities have filed second appeal before the Appellate Tribunal Inland Revenue, Karachi against order no. 62/2016 & 63/2016 of the Commissioner Inland Revenue (Appeal-III), Karachi passed in favor of the Company in the matter of non withholding of tax Rs. 23,049,621/- and Rs. 35,389,628/- for tax year 2014 and 2015 respectively against payment of Buy-Back of shares under section 95A of the Companies Ordinance, 1984 - 'repealed'. The management is confident that the eventual outcome of the matter will be decided again in favour of the Company. Accordingly, no provisions have been made in these financial statements.

19 OPERATING REVENUES	December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
Equity brokerage income	69,066,551	46,133,614
Inter-bank brokerage	6,748,949	9,221,064
Fees and commission	149,179	8,840
Dividend income	742,579	1,185,357
	<u>76,707,258</u>	<u>56,548,875</u>

	Note	December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
20 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits		41,506,726	30,403,535
Traveling, conveyance and vehicle running		3,610,488	2,442,235
Rent rates & taxes		4,521,255	3,721,637
Utility charges		1,192,510	982,479
Postage, telephone and telegram		976,786	802,277
Repair and maintenance		1,975,713	1,650,901
Insurance		886,811	697,128
Depreciation	4	3,498,229	2,849,778
Entertainment		548,530	575,979
Newspaper and periodicals		38,259	37,629
Advertisement		199,850	138,225
Printing and stationery		815,567	331,628
Legal and professional charges		100,000	415,000
Auditors' remuneration	20.1	250,000	-
Service charges		8,045,218	2,505,847
CDC charges		703,793	212,670
Fees and subscription		7,209,547	4,163,162
Commission		3,703,919	3,727,596
Office supplies		559,107	373,952
		80,342,308	56,031,658
20.1 Auditors' remuneration			
Audit fee		190,000	-
Half yearly review		30,000	-
Code of Corporate Governance		20,000	-
Out of pocket expenses		10,000	-
		250,000	-
21 OTHER INCOME - NET			
Return on bank deposits		224,963	245,682
Return on exposure deposit with exchange		1,748,997	255,178
Gain/(loss) on disposal of property, plant and equipment - net		1,102,807	(23,819)
		3,076,767	477,041
22 FINANCIAL CHARGES			
Bank charges		89,163	164,778
Mark-up on finance		15,730,991	833,817
Mark-up under finance lease		297,721	284,588
		16,117,875	1,283,183
23 TAXATION			
Current	23.1	12,969,820	1,581,372
Prior		(3,704,654)	-
Deferred		(1,265,876)	-
		7,999,290	1,581,372

23.1 In the view of tax loss for the period, provision for minimum tax had been made in accordance with Section 113 of Income Tax Ordinance, 2001. Therefore, relationship between tax expense and accounting profit had not been presented for the period ended December 31, 2017.

24 (LOSS) / EARNINGS PER SHARE	Note	December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
(Loss) / profit after taxation		<u>(10,877,123)</u>	<u>2,025,273</u>
Weighted average number of ordinary shares		<u>20,015,650</u>	<u>20,015,650</u>
(Loss) per share / earnings per share - basic and diluted	24.1	<u>(0.54)</u>	<u>0.10</u>

24.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2017 (December 31, 2016 : Nil) which could have any effect on the earnings per share if the option exercised.

25 CASH AND CASH EQUIVALENTS	December 31, 2017 (Audited) Rupees	December 31, 2016 (Un-Audited) Rupees
Cash and bank balances	110,716,591	92,495,900
Short-term running finance	<u>(92,708,947)</u>	<u>(33,092,351)</u>
	<u>18,007,644</u>	<u>59,403,549</u>

26 FINANCIAL INSTRUMENTS BY CATEGORY

26.1 Financial assets and liabilities	December 31, 2017 Rupees	June 30, 2017 Rupees
Financial assets		
- Loans and receivables		
Loans and advances	6,476,640	11,140,896
Deposits	118,396,600	100,396,335
Trade debts - unsecured	51,371,435	86,202,882
Receivable under margin finance	178,394,718	75,505,654
Other receivables	6,448,759	29,991,800
Cash and bank balances	<u>110,716,591</u>	<u>111,199,463</u>
	<u>471,804,743</u>	<u>414,437,030</u>
- Fair value through profit and loss Investments	<u>199,399,200</u>	<u>551,657,096</u>
- Available-for-sale investments	<u>43,906,147</u>	<u>49,163,833</u>
Financial liabilities		
- Financial liabilities at amortized cost		
Long term loan	375,000,000	650,000,000
Short-term running finance	92,708,947	63,265,840
Liabilities against assets subject to finance lease	5,446,080	6,237,840
Accrued mark-up	4,146,795	5,967,619
Trade and other payables	<u>102,474,628</u>	<u>126,307,894</u>
	<u>579,776,450</u>	<u>851,779,193</u>

27 FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to variety of financial risks namely market risk (including currency risk, interest rate and other price risk), credit risk, liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below:

27.1 Market risk

Market risk is the risk that the fair values or future cash flows of the financial instrument may fluctuate due to changes in market interest rates or the market price of securities due to changes in market variables such as: interest rate, foreign exchange rate and equity prices.

27.1.1 Foreign Currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign exchange risk because none of the Company's monetary assets and liabilities are denominated in foreign currency.

27.1.2 Yield / interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of financial instruments or cash flows relating to financial instruments, will fluctuate due to changes in the market rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of financial assets and liabilities through appropriate policies.

December 31, 2017

	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
	Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
Rupees							
Financial assets							
Loan and advances	-	-	-	6,476,640	-	6,476,640	6,476,640
Deposits	92,000,000	-	92,000,000	24,696,600	1,700,000	26,396,600	118,396,600
Trade debts - unsecured	-	-	-	51,371,435	-	51,371,435	51,371,435
Receivable against margin finance	178,394,718	-	178,394,718	-	-	-	178,394,718
Fair value through profit and loss Investments	199,399,200	-	199,399,200	-	-	-	199,399,200
Available for sale investments	-	-	-	43,906,147	-	43,906,147	43,906,147
Other receivables	-	-	-	6,448,759	-	6,448,759	6,448,759
Cash and bank balances	11,726,237	-	11,726,237	98,990,354	-	98,990,354	110,716,591
	<u>481,520,155</u>	<u>-</u>	<u>481,520,155</u>	<u>231,889,935</u>	<u>1,700,000</u>	<u>233,589,935</u>	<u>715,110,090</u>
Financial liabilities							
Long term loan	-	375,000,000	375,000,000	-	-	-	375,000,000
Accrued mark-up	-	-	-	4,146,795	-	4,146,795	4,146,795
Liabilities against assets subject to finance lease	1,583,520	3,862,560	5,446,080	-	-	-	5,446,080
Short-term running finance	92,708,947	-	92,708,947	-	-	-	92,708,947
Trade and other payables	-	-	-	102,474,628	-	102,474,628	102,474,628
	<u>94,292,467</u>	<u>378,862,560</u>	<u>473,155,027</u>	<u>106,621,423</u>	<u>-</u>	<u>106,621,423</u>	<u>579,776,450</u>
On-balance Sheet Gap	387,227,688	(378,862,560)	8,365,128	125,268,512	1,700,000	126,968,512	135,333,640
Off-balance Sheet Gap	-	-	-	-	-	-	-

June 30, 2017

	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
	Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
----- Rupees -----							
Financial assets							
Loan and advances	-	-	-	11,140,896	-	11,140,896	11,140,896
Deposits	65,500,000	-	65,500,000	33,636,600	1,259,735	34,896,335	100,396,335
Trade debts - unsecured	-	-	-	86,202,882	-	86,202,882	86,202,882
Receivable against margin finance	75,505,654	-	75,505,654	-	-	-	75,505,654
Fair value through profit and loss Investments	547,419,250	-	547,419,250	4,237,846	-	4,237,846	551,657,096
Available for sale investments	-	-	-	49,163,833	-	49,163,833	49,163,833
Other receivables	-	-	-	29,991,800	-	29,991,800	29,991,800
Cash and bank balances	11,959,949	-	11,959,949	99,239,514	-	99,239,514	111,199,463
	<u>700,384,853</u>	<u>-</u>	<u>700,384,853</u>	<u>313,613,371</u>	<u>1,259,735</u>	<u>314,873,106</u>	<u>1,015,257,959</u>
Financial liabilities							
Long term loan	-	650,000,000	650,000,000	-	-	-	650,000,000
Accrued mark-up	-	-	-	5,967,619	-	5,967,619	5,967,619
Liabilities against assets subject to finance lease	1,583,520	4,654,320	6,237,840	-	-	-	6,237,840
Short-term running finance	63,265,840	-	63,265,840	-	-	-	63,265,840
Trade and other payables	-	-	-	126,307,894	-	126,307,894	126,307,894
	<u>64,849,360</u>	<u>654,654,320</u>	<u>719,503,680</u>	<u>132,275,513</u>	<u>-</u>	<u>132,275,513</u>	<u>851,779,193</u>
On-balance Sheet Gap	635,535,493	(654,654,320)	(19,118,827)	181,337,858	1,259,735	182,597,593	163,478,766
Off-balance Sheet Gap	-	-	-	-	-	-	-

27.1.3 Other price risk

Other price risk is the risk of volatility in shares prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company is exposed to price risk because of investments held by the Company and classified in the balance sheet as investments at fair value through profit or loss account. The management believes that 10% increase or decrease in the value of investments at fair value through profit or loss account, while all other factors remaining constant would result in increase or decrease of the Company's profit by Rs. 'nil' (June 30, 2017: Rs.0.424 million).

27.2 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting commitments associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances, marketable securities and availability of funds through an adequate amount of committed credit lines. The Company is not exposed to liquidity risk. The maturity profile is monitored to ensure that adequate liquidity is maintained. The liquidity profile of the Company is disclosed in note 27.1.2.

27.3 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. All the financial assets of the Company are exposed to credit risk. To manage the exposure to credit risk, the Company applies credit limit to its customers and in certain cases obtains margin and deposit in the form of cash. The Company has established internal policies for extending credit which captures essential details regarding customers. Based on the review of borrowers credentials as available internally and value of collaterals held as security, the management is confident that credit quality of debts which are not past due nor impaired remains sound at the balance sheet date.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers, brokers and other financial institutions. These activities primarily involve collateralized arrangement and may result in credit exposure if the counter party fails to meet its contracted obligations. The Company's exposure to credit risk can only be directly impacted by volatile security markets which may impair the ability of counter parties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limit based upon a review of the counter parties' financial conditions. The Company monitors collateral levels on a regular basis and requests changes in collateral levels as appropriate if considered necessary.

An analysis of the age of significant financial assets that are past due or impaired are as under:

	December 31, 2017 Rupees	June 30, 2017 Rupees
Financial instruments carried at amortized cost		
Trade debts - unsecured	51,371,435	86,202,882
Payments over due		
1-360 days	49,981,401	85,680,017
Above 360 days	2,199,984	1,332,815
Provision for doubtful debts	(809,950)	(809,950)
	51,371,435	86,202,882

27.3.1 The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	Rating	
		Short term	Long term
Allied Bank Limited	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Bank Al-Falah Limited	JCR-VIS	A-1+	AA+
Bank Al- Habib Limited	PACRA	A1+	AA+
BankIslami Pakistan Limited	PACRA	A1	A+
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA-
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AA
Silk Bank Limited	JCR-VIS	A-2	A-
Summit Bank Limited	JCR-VIS	A-1	A-
The Bank of Khyber	PACRA	A1	A
United Bank Limited	JCR-VIS	A-1+	AAA

27.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

27.5 Financial assets fair value hierarchy

All financial instruments carried at fair value are categorized in three categories defined as follows:

- Level 1 - Quoted prices in active markets for identical assets.
- Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	December 31, 2017			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Assets				
Investment in equity securities - held for trading				
Government Securities	199,399,200	-	-	199,399,200
Investment in Available for Sale securities				
Listed Securities	35,906,147	-	-	35,906,147
	<u>235,305,347</u>	<u>-</u>	<u>-</u>	<u>235,305,347</u>
	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Assets				
Investment in equity securities - held for trading				
Listed Securities	4,237,846	-	-	4,237,846
Government Securities	547,419,250	-	-	547,419,250
Investment in Available for Sale securities				
Listed Securities	41,163,833	-	-	41,163,833
	<u>592,820,929</u>	<u>-</u>	<u>-</u>	<u>592,820,929</u>

27.6 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide adequate returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of gearing ratio. Gearing ratio is calculated as total debt divided by total equity, where debt represents total long term borrowings and total equity represents paid-up capital, reserves and accumulated profit / (loss).

	December 31, 2017 Rupees	June 30, 2017 Rupees
Liabilities against assets subject to finance lease	3,862,560	4,654,320
Long term loan	375,000,000	650,000,000
Shareholders' equity	239,832,051	255,966,860
Total	<u>618,694,611</u>	<u>910,621,180</u>
Gearing ratio	61.24%	71.89%

28 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the remuneration, including certain benefits to the Chief Executive, Executive Directors and Executives of the Company is as follows:

	<u>Chief Executive Officer</u>		<u>Executive Directors</u>		<u>Executives</u>	
	December 31, 2017 (Audited)	December 31, 2016 (Un-Audited)	December 31, 2017 (Audited)	December 31, 2016 (Un-Audited)	December 31, 2017 (Audited)	December 31, 2016 (Un-Audited)
	----- (Rupees) -----					
Remuneration	3,096,774	1,548,387	-	1,161,290	11,405,806	7,766,597
House rent allowance	1,393,549	696,774	-	522,581	5,132,613	3,494,969
Utility Allowance	309,677	154,839	-	116,129	1,140,581	776,660
Commission & Bonus	800,000	800,000	-	600,000	6,109,284	2,336,630
	<u>5,600,000</u>	<u>3,200,000</u>	<u>-</u>	<u>2,400,000</u>	<u>23,788,284</u>	<u>14,374,856</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>18</u>	<u>16</u>

28.1 The Company provides company maintained car to the chief executive officer, executive directors and certain executives. The Company has paid fee to one non-executive director during the period amount of Rs. 50,000 (December 31, 2016 : 25,000). Further, the chief executive officer and executive directors are also entitled for perquisites and facilities/benefits as per the Company's policies and rules.

28.2 As per the requirement of 'Research Analyst Regulations 2015', under the Securities Act 2015, following are the details of Research Analysts employed by the Company.

	December 31, 2017 Audited Rupees	December 31, 2016 (Un-Audited) Rupees
Remuneration	<u>1,920,000</u>	<u>1,620,000</u>

The Research Analysts reports directly to the Head of Research/Director Research and/or Chief Executive Officer.

29 RELATED PARTY TRANSACTIONS

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the Company and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to Executives of the Company are in accordance with the terms of the employment. Transactions with other related parties are entered into at rates negotiated with them. The remuneration of Chief Executive Officer, Executive Directors and Executives is disclosed in Note 28 to the financial statements.

Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	December 31, 2017 Audited Rupees	December 31, 2016 (Un-Audited) Rupees
Brokerage income earned from:		
Directors	<u>501,651</u>	<u>281,065</u>
Employees	<u>545,147</u>	<u>174,586</u>
Transactions		
Contribution to employees provident fund	<u>1,757,165</u>	<u>1,253,993</u>
Associate		
Commission expense to Financial Brokerage Group	<u>3,703,919</u>	<u>-</u>
Balances		
Payable to directors in their shares trading accounts	<u>2,460,819</u>	<u>736,476</u>
Payable to employees in their shares trading accounts	<u>3,635,304</u>	<u>522,604</u>
Receivable from employees in their shares trading accounts	<u>7,111</u>	<u>-</u>
Balances of the holding company		
Payable to EFG Hermes Frontier Holdings LLC	<u>1,231,674</u>	<u>-</u>
Balances of associates		
Payable to Financial Brokerage Group	<u>6,306,770</u>	<u>-</u>

30 ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of the appellate authorities on certain issues in the past.

Property, plant and equipment

The Company reviews the rate of depreciation/useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding effect on the amortization charge and impairment.

Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

Trade debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

31 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund as at December 31, 2017 and audited financial statements as at June 30, 2017.

	Note	December 31, 2017 Rupees	June 30, 2017 Rupees
Size of the fund - total assets		13,248,149	11,821,744
Fair value of investments	31.1	12,906,700	10,602,625
Cost of investments made		12,917,464	10,568,486
Percentage of investments made		97%	90%

31.1 The Break-up of fair value of investments is as follows:

	December 31, 2017 Percentage	June 30, 2017 Percentage	December 31, 2017 Rupees	June 30, 2017 Rupees
Bank deposits	3%	10%	341,449	1,219,119
Treasury bills	94%	85%	12,462,450	10,067,125
Listed securities	3%	5%	444,250	535,500
	100%	100%	13,248,149	11,821,744

Investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 - 'repealed' and the rules formulated for this purpose.

	December 31, 2017	June 30, 2017
32 NUMBER OF EMPLOYEES		
Number of employees as at year end	61	62
Average number of employees during the period	61	59
33 TURNOVER	December 31, 2017 Audited	December 31, 2016 (Un-Audited)
The Company shares turnover is as under:	----- Rupees ' 000 -----	
Retail clients	19,416,256	13,400,340
Institutional clients	36,993,138	24,626,315
Proprietary trades	462,935	656,878

34 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on February 19, 2018 by the Board of Directors of the Company.

35 GENERAL

35.1 Figures in these financial statements have been rounded off to the nearest rupee.

35.2 Prior year's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number
2. Name of the Company
3. Pattern of holding of the shares held by the Shareholders as at

4.	Number of Shareholders	Shareholdings				Total Shares held
	539	1	-	100	Shares	23,340
	179	101	-	500	Shares	67,100
	1738	501	-	1000	Shares	969,990
	214	1001	-	5000	Shares	433,079
	30	5001	-	10000	Shares	211,135
	4	10001	-	15000	Shares	48,528
	4	15001	-	20000	Shares	74,613
	3	20001	-	25000	Shares	72,450
	2	25001	-	30000	Shares	54,100
	2	30001	-	35000	Shares	68,000
	2	35001	-	40000	Shares	78,700
	1	40001	-	45000	Shares	42,000
	1	65001	-	70000	Shares	66,500
	1	70001	-	75000	Shares	75,000
	1	75001	-	80000	Shares	80,000
	1	80001	-	85000	Shares	85,000
	1	125001	-	130000	Shares	130,000
	1	150001	-	155000	Shares	150,300
	1	165001	-	170000	Shares	169,000
	1	375001	-	380000	Shares	379,834
	1	760001	-	765000	Shares	762,692
	1	825001	-	830000	Shares	825,563
	1	990001	-	995000	Shares	990,566
	1	1080001	-	1085000	Shares	1,083,452
	1	1230001	-	1235000	Shares	1,231,726
	1	1630001	-	1635000	Shares	1,635,000
	1	10205001	-	10210000	Shares	10,207,982
	2,733	Total				20,015,650

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children	2,986,338	14.92%
5.2	Associated Companies, Financial Institutions, Non-Banking Financial Institutions	10,207,982	51.00%
5.3	NIT and ICP	-	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	-	0.00%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	-	0.00%
5.7	Shareholders holding 10%	10,207,982	51.00%
5.8	General Public	-	0.00%
	a. Local	6,711,779	33.53%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds, Trustees, etc.)	109,551	0.55%

Pattern of Shareholding under Rule 5.19.11(x) of the Code of Corporate Governance as on December 31, 2017 (Additional information)

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1 <u>Associated Companies, Undertakings & Related Parties</u>	1	10,207,982	51.00%
2 <u>Mutual Funds</u>			0.00%
3 <u>Directors, their Spouses & Minor Children</u>			
Directors			
3.1 MR. MURAD ANSARI	1	1	0.00%
3.2 MR.MOHAMED KHALED MOHAMED ABDELKHABIR	1	1	0.00%
3.3 MOHAMED HUSSEIN MAHMOUD MOHAMED EBEID	1	1	0.00%
3.4 MR.AHMED ADEL MAHMOUD YOUSSEF	1	1	0.00%
3.5 MR.FAYYAZ ILYAS	1	990,566	4.95%
3.6 MR.HAYAT JAVED	1	762,748	3.81%
3.7 MR.RAHAT AZIZ	1	1	0.00%
	7	1,753,319	8.76%
Spouses of Directors			0.00%
Minor Children of Directors			0.00%
4 <u>Executives</u>	2	1,612,853	8.06%
5 <u>Public Sector Companies & Corporations</u>			
6 Banks, Development Finance Institution,			0.00%
7 Other (Individuals, Brokerage Houses, Joint stock Companies)	2,723	6,441,496	32.18%
	<u>2,733</u>	<u>20,015,650</u>	<u>100%</u>

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/INTERESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares held	% of Shareholding
EFG-Hermes Frontiers Holdings LLC	1	10,207,982	51.00
Mr. Munaf ibrahim	1	1,635,500	8.17
Mr. Muzzammil Aslam	1	1,233,019	6.16
Mr. Irfan Pardesi	1	1,102,065	5.51

PATTERN OF SHAREHOLDING As on December 31, 2017

[Sub-Regulation 2(e) of Regulation 34 under chapter IV of Securities Brokers (Licensing and Operations) Regulations, 2016]

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares held	% of Shareholding
EFG-Hermes Frontiers Holdings LLC	1	10,207,982	51.00
Mr. Munaf ibrahim	1	1,635,500	8.17
Mr. Muzzammil Aslam	1	1,233,019	6.16
Mr. Irfan Pardesi	1	1,102,065	5.51

CHANGES IN SHAREHOLDERS HOLDING ABOVE 5%			
Names	Holding Balance as at June 30, 2017	Holding Balance as at December 31, 2017	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Mr. Munaf ibrahim	1,635,500	1,635,500	-
Mr. Muzzammil Aslam	1,233,019	1,233,019	-
Mr. Irfan Pardesi	1,102,065	1,102,065	-

FORM OF PROXY

EFG HERMES PAKISTAN LIMITED (Formerly Invest and Finance Securities Limited)

IMPORTANT NOTE

This form of Proxy duly completed must be deposited at the Registered Office of the Company, Office# 904, 9th Floor, Emerald Tower, Plot No. G-19, Block-5, Clifton, Karachi, Pakistan, not later than 48 hours before the time of the meeting.

I/We _____
of _____ being member(s) of EFG HERMES
PAKISTAN LIMITED and holding _____ Ordinary Shares as per Registered Folio
No./CDC Investor Account/Participant ID and investor / Sub Account No. _____
hereby appoint _____ of

or failing him/her _____
of _____
who is/are as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual
General Meeting of the Company to be held on Monday, March 26, 2018 at 5:00 PM
and / or any adjournment thereof.

Signed this _____ day of _____ 2018.

Signature
over Revenue
Stamp of
Rs.5

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____

**AFFIX
CORRECT
POSTAGE**

EFG HERMES PAKISTAN LIMITED

Office# 904, 9th Floor, Emerald Tower Plot No. G-19,
Block-5, Clifton, Karachi, Pakistan.

فارم برائے پراسسی

ای ایف جی ہرمز پاکستان لمیٹڈ

اہم اضوری

یہ مکمل شدہ پراسسی اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس نمبر 904، 9th فلور، ایئر الڈٹاور، پلاٹ نمبر 19-G، بلاک 5، کلفٹن، کراچی، پاکستان میں پہنچ جانا چاہئے۔

میں / ہم _____ کا _____
بطور ممبر (ز) ای ایف جی ہرمز پاکستان لمیٹڈ اور ہولڈر برائے _____ عام حصص بمطابق رجسٹرڈ فوئیو نمبر، سی ڈی سی انویسٹر اکاؤنٹ / پارٹنر شپ ID
اور انویسٹر / سب اکاؤنٹ نمبر _____ نامزد کرتا / کرتی ہوں _____
_____ یا بصورت دیگر _____
_____ کا
کو بطور میرا / ہمارا نمائندہ نامزد کرتا / کرتی ہوں جو کمپنی کے انیسواں سالانہ اجلاس عام جو بروز پیر مورخہ 26 مارچ 2018 کو شام 05.00 بجے منعقد یا ملتوی ہونے والے
میں میری / ہماری طرف سے ووٹ دیگا۔

دستخط مورخہ _____ بروز _____ 2018

ریونیواسٹمپ پر دستخط



گواہ _____ گواہ _____
دستخط _____ دستخط _____
نام _____ نام _____
شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____
پتہ _____ پتہ _____

**AFFIX
CORRECT
POSTAGE**

EFG HERMES PAKISTAN LIMITED
Office# 904, 9th Floor, Emerald Tower Plot No. G-19,
Block-5, Clifton, Karachi, Pakistan.

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🔍 Company Verification
- 📄 Insurance & Investment Checklist
- ?? FAQs Answered

- 📈 Stock trading simulator
(based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📄 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices

 **EFGHERMES**

EFG HERMES PAKISTAN LIMITED

TREC HOLDER AND LICENSED SECURITIES BROKER OF PAKISTAN STOCK EXCHANGE LIMITED

Office # 904, 9th Floor, Emerald Tower, Plot No. G19, Block-5, Clifton, Karachi, Pakistan

Tel: +92 21 35141100-04 Fax: +92 21 35141109

www.efgherspakistan.com