

The logo for EFGHERMES, featuring a stylized green symbol of three horizontal bars of varying lengths to the left of the company name in a green, sans-serif font.

≡ EFGHERMES

The background of the cover is a photograph of the National Centre for Performing Arts in Beijing, China. The image shows the three large, white, sail-like structures of the building against a clear blue sky. In the foreground, there is a circular fountain with water spraying upwards. A few people are visible walking on the plaza in front of the building.

EXPERIENCE  
FOCUS  
GROWTH

**2022**  
Quarterly Report March 31

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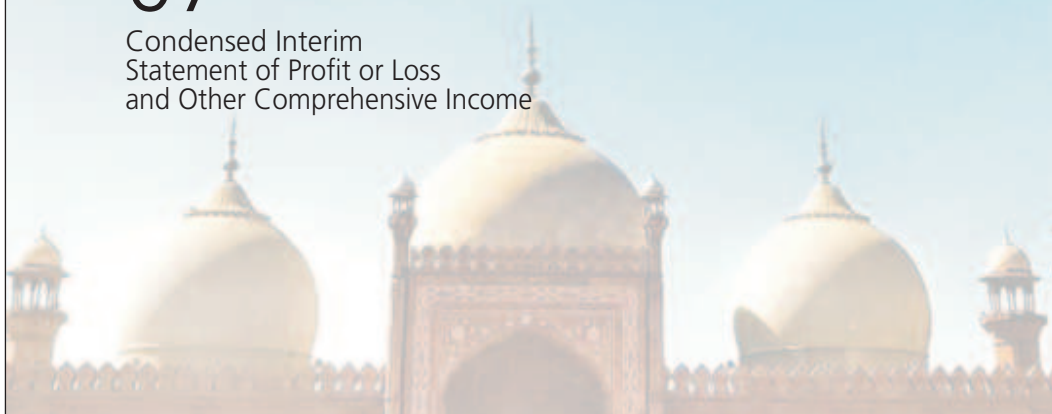
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# Company Information

## Board of Directors

Mr. Murad Ansari - Chairman  
Mr. Mohamed Ebeid - Director  
Mr. Fayyaz Ilyas - Director  
Ms. Sarah Maja - Director  
Mr. Freyan Byram Avari - Director  
Mr. Johannes Gunnell - Director  
Mr. Saad Iqbal - CEO & Director

## Audit Committee

Mr. Johannes Gunnell - Chairman  
Mr. Fayyaz Ilyas - Member  
Ms. Sarah Maja - Member  
Mr. Freyan Byram Avari - Member

## HR & R Committee

Mr. Freyan Byram Avari - Chairman  
Mr. Mohamed Ebeid - Member  
Ms. Sarah Maja - 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

M/s. Mohsin Tayebaly & Co. (MTC)  
1st Floor, Dime Centre, BC-4, Block 9, Kehkshan,  
Clifton, Karachi, Pakistan.

## Share Registrar

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

## Bankers

MCB Bank Limited  
Bank Alfalah Limited  
Askari Bank Limited  
United Bank Limited  
Allied Bank Limited  
Bank Al Habib Limited  
Habib Metropolitan Bank Limited  
Standard Chartered 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 Boulverad,  
Gulberg, Lahore, Pakistan

## Website

[www.efghermespakistan.com](http://www.efghermespakistan.com)

## DIRECTORS' REVIEW

### BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

I, on behalf of Board of Directors of your Company, am pleased to present herewith un-audited condensed interim financial statements of the Company for the first quarter ended March 31, 2022.

#### Operational Results

During the first quarter of the financial year, the Company earned operating revenues of Rs. 45.488 million compared to Rs. 74.057 million for the corresponding period. Before and after tax losses stood at Rs. (7.656) million and Rs. (10.927) million respectively compared to before and after tax profits Rs. 22.842 million and Rs. 16.533 million respectively for the same period last year. The basic and diluted loss per share for the quarter is Rs. (0.55) compared to earnings per share Rs. 0.83 for the same period during last year.

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

For and on behalf of the Board of Directors



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**

Karachi, April 27, 2022

## ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ کے نام سے جو بڑا مہربان اور رحم والا ہے۔

محترم ممبران

السلام وعلیکم،


میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی 31 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی کی کمپنی کی غیر آڈٹ شدہ عبوری مالی تفصیلات کی رپورٹ پیش کرتا ہوں۔

### کارکردگی کا جائزہ:

پہلی سہ ماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی مد میں 45.488 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 74.057 ملین روپے کمائے تھے۔ قبل از ٹیکس اور بعد از ٹیکس نقصان بالترتیب (7.656) ملین روپے اور (10.927) ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 22.842 ملین روپے اور 16.533 ملین روپے تھا۔ اس سہ ماہی میں بنیادی اور معمولی فی حصص نقصان (0.55) روپے ہوئی جبکہ گزشتہ سال اسی مدت کے دوران فی حصص آمدنی 0.83 تھی۔

آخر میں؛ اللہ تعالیٰ سے دعا 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

تاریخ: 27 اپریل 2022



## **INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of EFG Hermes Pakistan Limited Report on Review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of EFG Hermes Pakistan Limited as at March 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the three-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shahid Kamran.

*RASGOHAR & CO.*

**Chartered Accountants**

Karachi, April 27, 2022

**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, Email: rasgkhi@rasgco.com,

Website: www.rasgco.com

Regional Offices at Lahore & Islamabad

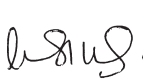


**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT MARCH 31, 2022

		<u>Un-audited</u> <u>March</u> <u>31, 2022</u>	<u>Audited</u> <u>December</u> <u>31, 2021</u>
<u>ASSETS</u>	Note	----- Rupees -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<b>26,435,696</b>	27,583,742
Intangible assets		<b>4,406,319</b>	4,470,523
Long-term investments	6	<b>28,245,296</b>	30,040,604
Long-term deposits		<b>550,000</b>	550,000
		<b>59,637,311</b>	62,644,869
<b>CURRENT ASSETS</b>			
Trade debts	7	<b>12,392,824</b>	10,780,607
Short-term investments		<b>854,676,189</b>	810,595,565
Advances, deposits, prepayments and other receivables		<b>123,566,941</b>	150,459,284
Advance tax - net		<b>39,392,697</b>	41,238,915
Receivable under margin finance		<b>60,320,211</b>	79,912,736
Cash and bank balances	8	<b>107,586,920</b>	161,062,880
		<b>1,197,935,782</b>	1,254,049,987
<b>TOTAL ASSETS</b>		<b>1,257,573,093</b>	1,316,694,856
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 100,000,000 (December 31, 2021: 100,000,000) ordinary shares of Rs.10/- each		<b>1,000,000,000</b>	1,000,000,000
Issued, subscribed and paid-up capital		<b>200,156,500</b>	200,156,500
Revenue reserve - accumulated loss		<b>(55,938,443)</b>	(45,011,358)
Gain on re-measurement of investment at FVOCI - net		<b>6,213,855</b>	8,009,163
		<b>150,431,912</b>	163,154,305
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan		<b>825,000,000</b>	825,000,000
<b>CURRENT LIABILITIES</b>			
Short-term running finance	9	<b>335,274</b>	-
Trade and other payables		<b>270,718,995</b>	317,453,639
Unclaimed dividend		<b>11,086,912</b>	11,086,912
		<b>282,141,181</b>	328,540,551
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,257,573,093</b>	1,316,694,856

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

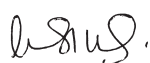
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**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED MARCH 31, 2022

	Note	First Quarter Ended	
		March 31, 2022	March 31, 2021
		Rupees	
<b>OPERATING REVENUES</b>			
Operating revenues	11	<b>33,067,087</b>	68,057,429
Gain on sale of investments-net		<b>12,420,752</b>	5,999,175
		<b>45,487,839</b>	74,056,604
<b>EXPENDITURES</b>			
Administrative and general expenses		<b>(43,716,019)</b>	(49,469,542)
Operating profit		<b>1,771,820</b>	24,587,062
(Other charges) / other income - net		<b>(671,383)</b>	3,449,069
Income on margin finance		<b>2,423,578</b>	1,678,954
Financial charges		<b>(19,236,543)</b>	(7,506,248)
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net		<b>8,056,359</b>	632,940
		<b>(9,427,989)</b>	(1,745,285)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<b>(7,656,169)</b>	22,841,777
<b>TAXATION</b>		<b>(3,270,916)</b>	(6,308,977)
<b>(LOSS) / PROFIT AFTER TAXATION</b>		<b>(10,927,085)</b>	16,532,800
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Loss on re-measurement of investments categorised as 'fair value through other comprehensive income'		<b>(1,795,308)</b>	(2,003,691)
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>		<b>(12,722,393)</b>	14,529,109
(Loss) / earning per share - basic and diluted		<b>(0.55)</b>	0.83

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



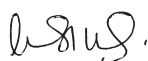
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE FIRST QUARTER ENDED MARCH 31, 2022

	First Quarter Ended	
	March 31, 2022	March 31, 2021
----- Rupees -----		
<b>Cash Flows From Operating Activities</b>		
(Loss) / profit before taxation	(7,656,169)	22,841,777
<b>Adjustments for:</b>		
Depreciation	1,247,951	1,204,275
Amortisation	64,204	96,302
Financial charges	19,236,543	7,506,248
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net	(8,056,359)	(632,940)
Loss / (gain) on disposal of property, plant and equipment	18,380	(7,699)
	<u>12,510,719</u>	<u>8,166,186</u>
Profit before working capital changes	<u>4,854,550</u>	31,007,963
<b>Changes in working capital</b>		
Decrease / (increase) in current assets		
Trade debts - unsecured	(1,612,217)	(12,156,537)
Short-term investments	(36,024,265)	4,543,770
Advances, deposits, prepayments and other receivables	26,892,343	65,413,616
Receivable under margin finance	19,592,525	(37,826,674)
	<u>8,848,386</u>	<u>19,974,175</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(65,171,693)	(13,224,231)
Cash (used in) / generated from operations	<u>(51,468,757)</u>	<u>37,757,907</u>
Income tax paid	(1,424,698)	(2,293,605)
Financial charges paid	(799,494)	(374,676)
Net cash (used in) / generated from operating activities	<u>(53,692,949)</u>	<u>35,089,626</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(129,685)	(1,471,120)
Proceeds from disposal of property, plant and equipment	11,400	55,000
Net cash used in investing activities	<u>(118,285)</u>	<u>(1,416,120)</u>
<b>Cash Flows From Financing Activities</b>	-	-
Net (decrease) / increase in cash and cash equivalents	<u>(53,811,234)</u>	33,673,506
Cash and cash equivalents at the beginning of the period	<u>161,062,880</u>	118,355,954
Cash and cash equivalents at the end of the period	<u>107,251,646</u>	<u>152,029,460</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



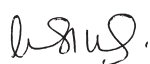
CHIEF FINANCIAL OFFICER

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE FIRST QUARTER ENDED MARCH 31, 2022

	Share Capital	Revenue Reserve (Accumulated loss)	Gain / (loss) on re-measurement investments at 'FVOCI'	Total
----- Rupees -----				
<b>Balance as at December 31, 2020</b>	200,156,500	(73,897,874)	9,724,322	135,982,948
Profit for the quarter ended March 31, 2021	-	16,532,800	-	16,532,800
Other comprehensive loss for the quarter ended March 31, 2021	-	-	(2,003,691)	(2,003,691)
<b>Balance as at March 31, 2021</b>	<u>200,156,500</u>	<u>(57,365,074)</u>	<u>7,720,631</u>	<u>150,512,057</u>
Profit for the nine months ended December 31, 2021	-	12,353,716	-	12,353,716
Other comprehensive income for the nine months ended December 31, 2021	-	-	288,532	288,532
<b>Balance as at December 31, 2021</b>	<u>200,156,500</u>	<u>(45,011,358)</u>	<u>8,009,163</u>	<u>163,154,305</u>
Loss for the quarter ended March 31, 2022	-	(10,927,085)	-	(10,927,085)
Other comprehensive loss for the quarter ended March 31, 2022	-	-	(1,795,308)	(1,795,308)
<b>Balance as at March 31, 2022</b>	<u>200,156,500</u>	<u>(55,938,443)</u>	<u>6,213,855</u>	<u>150,431,912</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

FOR THE FIRST QUARTER ENDED MARCH 31, 2022

### **1 STATUS AND NATURE OF BUSINESS**

EFG Hermes Pakistan 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. 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 acts as Service Provider/Distributor with Mutual Funds Association of Pakistan. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research and is well-positioned to respond to the dynamic business environment.

EFG Hermes Frontier Holdings LLC (the Holding Company) holds 51% shares of the Company.

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information required of full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2021.

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of section 237 of the Companies Act, 2017. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

#### **2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise.

#### **2.3 Accounting estimates and judgements**

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 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.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the financial statements for the year ended December 31, 2021.

#### 2.4 Standards, amendments and interpretations adopted during the period

The Company has not adopted any new standard during the period.

##### 2.4.1 Amendments to approved accounting standards and interpretations which are effective during the period ended March 31, 2022

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

##### 2.4.2 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 4	Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9.	January 1, 2023
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 1	Amended by Classification of Liabilities as Current or Non-current.	January 1, 2023
IAS 12	Amended by Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

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

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.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard or Interpretation	Effective Date (accounting periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same those applied in the preparation of the audited financial statements for the year ended December 31, 2021.

### 4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those applied in the preparation of the audited financial statements for the year ended December 31, 2021.

### 5 PROPERTY, PLANT AND EQUIPMENT

	Un-audited March 31, 2022	Audited December 31, 2021
Note	Rupees	
Opening book value	27,583,742	27,463,364
Add: Additions during the period - own	129,685	5,984,193
Less: Disposals during the period (at book value)	(29,780)	(545,418)
Depreciation charged during the period	(1,247,951)	(5,318,397)
	<u>(1,277,731)</u>	(5,863,815)
Closing book value	<u>26,435,696</u>	<u>27,583,742</u>

### 6 LONG-TERM INVESTMENTS

At FVOCI	6.1	20,245,296	22,040,604
At cost	6.1	8,000,000	8,000,000
		<u>28,245,296</u>	<u>30,040,604</u>

#### 6.1 Description of investments are as follows:

31-Mar-22		31-Dec-21		31-Mar-22		31-Dec-21	
Number of Shares	Name of Investee Companies	Note	Cost	Carrying Value	Cost	Carrying Value	
Rupees							
1,602,953	1,602,953	Pakistan Stock Exchange Ltd.	6.2	14,031,441	20,245,296	14,031,433	22,040,604
843,975	843,975	LSE Financial Services Ltd.	6.3	8,000,000	8,000,000	8,000,000	8,000,000
				<u>22,031,441</u>	<u>28,245,296</u>	<u>22,031,441</u>	<u>30,040,604</u>

6.2 The Company has pledged 1,602,953 (2021: 1,602,953) shares with PSX to fulfill the Base Minimum Capital requirement as per the PSX Regulations. The PSX shares have been revalued at a price of Rs. 12.63 (December 31, 2021: Rs. 13.75) as at reporting date.

6.3 This represents unquoted shares of LSE Financial Services Limited (LSEFSL) which have been pledged with PSX to fulfill the Base Minimum Capital requirement as per PSX Regulations. Since shares of LSEFSL are not presently tradable therefore fair value cannot be determined.

	<u>Un-audited</u> <u>March</u> <u>31, 2022</u>	<u>Audited</u> <u>December</u> <u>31, 2021</u>
	----- Rupees -----	

**7 TRADE DEBTS - UNSECURED**

Trade debts - net	<u>12,392,824</u>	<u>10,780,607</u>
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Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. An allowance for impairment is measured and recorded in accordance with Company's impairment policy.

	<u>Un-audited</u> <u>March</u> <u>31, 2022</u>	<u>Audited</u> <u>December</u> <u>31, 2021</u>
	----- Rupees -----	
<b>Aging analysis:</b>	<b>Note</b>	
Within 360 days	<u>12,405,221</u>	10,844,150
Above 360 days	<u>1,647,827</u>	1,596,681
Allowance for impairment of trade debts	<u>(1,660,224)</u>	(1,660,224)
	<u>12,392,824</u>	<u>10,780,607</u>

**8 CASH AND BANK BALANCES**

Cash in hand		50,000	50,000
Cash at banks			
- in deposit accounts	8.1	<u>11,432,652</u>	11,237,227
- in current accounts - pertaining to brokerage house		<u>1,368,621</u>	3,535,855
- in current accounts - pertaining to clients		<u>94,735,647</u>	146,239,798
		<u>107,536,920</u>	161,012,880
		<u>107,586,920</u>	<u>161,062,880</u>

**8.1** These carry mark-up at 8.25% (December 31, 2021 : 5.5% to 7%) per annum.

**8.2** Value of customers assets held in the Central Depository Company under Company's Participant ID as at March 31, 2022 is Rs. 1,585 million (December 31, 2021 : Rs. 1,362 million).

	<u>Un-audited</u> <u>March</u> <u>31, 2022</u>	<u>Audited</u> <u>December</u> <u>31, 2021</u>
	----- Rupees -----	

**9 SHORT - TERM RUNNING FINANCE**

**UNDER MARK-UP ARRANGEMENTS - Secured**

Habib Bank Limited	9.1	<u>335,274</u>	<u>-</u>
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**9.1** The Company has running finance facilities of Rs. 600 million (December 31, 2021 : Rs. 600 million) under mark-up arrangements. These facilities carry Mark-up at 1 month KIBOR + 0.10% (December 31, 2021 : 1 month KIBOR + 0.10%). This arrangement is valid upto April 30, 2022 on a renewal basis. This facility is secured against irrevocable and unconditional financial guarantee(s) provided by a bank in UAE on behalf of EFG Hermes Frontier Holdings LLC (the Holding Company) to the bank. Client(s) securities held as collateral with financial institutions were nil ( December 31, 2021: 'nil').

## 10 CONTINGENCIES AND COMMITMENTS

10.1 There are no changes in contingent liabilities since the date of financial statements for the year ended December 31, 2021.

	<u>Un-audited March 31, 2022</u>	<u>Un-audited March 31, 2021</u>
	----- Rupees -----	
<b>11 OPERATING REVENUES</b>		
Equity brokerage income	32,430,131	68,057,100
Fee and commission	975	329
Dividend income	635,981	-
	<u>33,067,087</u>	<u>68,057,429</u>
<b>12 RELATED PARTY TRANSACTIONS</b>		

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.

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

	<u>Un-audited March 31, 2022</u>	<u>Un-audited March 31, 2021</u>
	----- Rupees -----	
<b>Brokerage income earned from:</b>		
Directors	<u>494,570</u>	<u>1,534,622</u>
Employees	<u>253</u>	<u>68,575</u>
Associate	<u>665,779</u>	<u>1,210,220</u>
<b>Transactions</b>		
Contribution to employees provident fund	<u>858,931</u>	<u>876,625</u>
Salaries and remuneration to Chief Executive Officer	<u>5,790,327</u>	<u>4,110,193</u>
Fee to Non-Executive Director (Independent)	<u>-</u>	<u>75,000</u>
<b>Balances</b>		
Payable to directors in their shares trading accounts	<u>149,857</u>	<u>15,079,635</u>
Payable to employees in their shares trading account	<u>27,349</u>	<u>315,874</u>
Receivable from directors in their shares trading accounts	<u>901</u>	<u>-</u>
Receivables from employees in their shares trading account	<u>463</u>	<u>-</u>
<b>Balances of the holding company</b>		
Payable to EFG Hermes Frontier Holdings LLC	<u>91,572,827</u>	<u>57,799,729</u>
<b>Balances of associates</b>		
Payable to Financial Brokerage Group	<u>19,389,976</u>	<u>19,712,995</u>

**13 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

On March 11, 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a pandemic. Thereafter, Covid-19 emerged to have impacts for Pakistan's economy as the Government decided for a Country wide lockdown.

Government has taken resulting measures to control the spread of virus including travel bans, quarantine, social distancing and closures of non-essential services adversely impacted various businesses and enhanced volatility in the Pakistan Stock Exchange (PSX). After easing the lockdown by the Government, the company has been conducting its business with some modifications while following all necessary standard operating procedure (SOPs). However, the operation of the Company were not significantly impacted due to COVID-19, therefore, the management has concluded that there are no material implications of COVID-19 that require specific disclosure in these condensed interim financial statements.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on April 27, 2022 by the Board of Directors of the Company.

**15 GENERAL**

Figures in these condensed interim financial statements have been rounded off to the nearest rupee. Prior year's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.



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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**



## PATTERN OF SHAREHOLDING

**As on March 31, 2022**

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

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/INTRESTS 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. Khalid Raiz	1	1,942,500	9.70
Ms. Sadaf Farid	1	1,088,001	5.44

CHANGES IN SHAREHOLDINGS HOLDING ABOVE 5%			
Names	Holding Balance as at December 31 2021	Holding Balance as at March 31, 2022	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Mr. Khalid Raiz	1,689,000	1,942,500	253,500
Ms. Sadaf Farid	1,199,500	1,088,001	(111,499)



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