



# QUARTERLY REPORT MARCH 31 2020



Leadership  
The Right Move into the Right Path

## Contents

02

Company Information

---

08

Cash Flow Statement

---

03

Director's Review - Report

---

09

Statement of Changes in Equity

---

05

Auditor's Review Report

---

10

Notes to the Financial Statement

---

06

Statement of Financial Position

---

15

Pattern of Shareholding

---

07

Statement of Comprehensive Income

---

## Company Information

<u>Board of Directors</u>	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. Safdar Mummunka - Director Mr. Danish Iqbal - Director Ms. Sarah Maja - Director Mr. Freyan Avari - Director Mr. Ahmed El Khamissy - Director Mr. Johannes Gunnell - Director Mr. Asad Shafqat - Director Mr. Saad Iqbal - CEO
<u>Audit Committee:</u>	Mr. Johannes Gunnell - Chairman Mr. Fayyaz Ilyas - Member Mr. Ahmed El Khamissy - Member
<u>HR &amp; R Committee</u>	Mr. Freyan Avari - Chairman Mr. Mohamed Ebeid - Member Mr. Hayat Javed - Member
<u>Company Secretary</u>	Mr. Shahid Kamal
<u>Chief Financial Officer</u>	Mr. Ahmad Zakir Hafeez
<u>Auditors</u>	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.
<u>Legal Advisor</u>	Qazi Umair Ali Hafeez Pirzada Law Associates, 7-A, First Sunset Street DHA Phase II, Karachi, Pakistan.
<u>Share Registrar</u>	M/s. F. D. Registrar Services (SMC-Pvt.) Limited Office No. 1705-A, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan.
<u>Bankers</u>	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 Standard Chartered Bank Limited Habib Bank Limited JS Bank Limited Meezan Bank Limited
<u>Registered Office</u>	Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block-5, Clifton, Karachi, Pakistan
<u>Lahore Branch</u>	319 Siddiq Trade Centre, 72 Main Boulevard, Gulberg, Lahore, Pakistan
<u>Website</u>	<a href="http://www.efghermespakistan.com">www.efghermespakistan.com</a>

## 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, 2020.

### **Operational Results**

During the first quarter of the financial year, the Company earned operating revenues of Rs. 60.584 million compared to Rs. 31.072 million for the corresponding period. Before and after tax profits stood at Rs. 6.237 million and Rs. 1.544 million respectively compared to before and after tax losses Rs.12.000 million and Rs. 14.392 million respectively for the same period last year. The basic and diluted earning/(loss) per share for the quarter is Rs. 0.08 compared to Rs. (0.72) 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 29, 2020

## 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 پہلی سہ ماہی 31 مارچ 2020 کو ختم ہونے والی کمپنی کی غیر آڈٹ شدہ عبوری مالی تفصیلات کی رپورٹ پیش کرتا ہوں۔

### کاروباری نتائج:

مالی سال کی پہلی سہ ماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی حد میں 60.584 ملین روپے کمائے جبکہ گذشتہ سال اسی سہ ماہی کے دوران 31.072 ملین روپے کمائے تھے۔ قبل از ٹیکس اور بعد از ٹیکس منافع 6.237 ملین روپے اور 1.544 ملین روپے بالترتیب ہے جبکہ گذشتہ سال اسی سہ ماہی کے دوران قبل از ٹیکس اور بعد از ٹیکس نقصان 12.000 ملین روپے اور 14.392 ملین روپے بالترتیب تھا۔ اس سہ ماہی کے دوران بنیادی اور معمولی فی حصص آمدنی / (خسارہ) 0.08 روپے مقابلتا گذشتہ سال اسی سہ ماہی کے دوران فی حصص خسارہ (0.72) روپے تھا۔

آخر میں؛ اللہ تعالیٰ سے دعا ہے کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی رحمتیں اور برکتیں نازل فرمائیے۔ آمین

مخائب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر  
تاریخ: 29 اپریل 2020

## 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, 2020 and the related condensed interim statement of 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 this 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 is 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.

Chartered Accountants

Karachi: 29, April 2020

**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

A member of  **agn**  
INTERNATIONAL

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
AS AT MARCH 31, 2020

		<u>Un-audited</u> <u>March</u> <u>31, 2020</u>	<u>Audited</u> <u>December</u> <u>31, 2019</u>
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	29,989,486	29,807,693
Intangible assets		5,289,064	5,433,508
Long-term investments	6	20,663,329	28,004,853
Long-term deposits		1,550,000	1,550,000
		<u>57,491,879</u>	<u>64,796,054</u>
<b>CURRENT ASSETS</b>			
Trade debts	7	20,050,909	21,576,437
Short-term investments		407,282,970	367,839,200
Advances, deposits, prepayments and other receivables		40,998,866	137,845,193
Advance tax - net		56,374,899	59,699,216
Receivable under margin finance		42,619,669	13,249,680
Cash and bank balances	8	124,260,278	96,753,415
		<u>691,587,591</u>	<u>696,963,141</u>
		<u>749,079,470</u>	<u>761,759,195</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		200,156,500	200,156,500
Gain on re-measurement of investment at FVOCI - net		(1,368,112)	5,973,412
Accumulated loss		(74,015,279)	(75,559,218)
		<u>124,773,109</u>	<u>130,570,694</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan		375,000,000	375,000,000
<b>CURRENT LIABILITIES</b>			
Short-term running finance	9	-	72,166,547
Trade and other payables		208,413,432	172,794,042
Payable to NCCPL - net		29,679,975	-
Unclaimed dividend		11,212,954	11,227,912
		<u>249,306,361</u>	<u>256,188,501</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>749,079,470</u>	<u>761,759,195</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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE FIRST QUARTER ENDED MARCH 31, 2020

	Note	First Quarter Ended	
		March 31, 2020	March 31, 2019
		Rupees	
<b>OPERATING REVENUES</b>			
Operating revenues	11	49,966,893	26,488,808
Gain on sale of investments-net		10,616,780	4,583,450
		<b>60,583,673</b>	31,072,258
<b>EXPENDITURES</b>			
Administrative and general expenses		(46,226,866)	(41,357,247)
Operating profit / (loss)		<b>14,356,807</b>	(10,284,989)
Other income - net		1,808,626	2,859,318
Income on margin finance		1,201,026	1,370,651
Financial charges		(13,346,398)	(9,862,638)
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net		2,216,830	3,918,020
		<b>(8,119,916)</b>	(1,714,649)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>6,236,891</b>	(11,999,638)
<b>TAXATION</b>		<b>(4,692,952)</b>	(2,392,257)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>1,543,939</b>	(14,391,895)
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
(Loss) / gain on re-measurement of investments categorised as 'fair value through other comprehensive income'		(7,341,524)	4,552,387
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(5,797,585)</b>	(9,839,508)
Earning / (loss) per share - basic and diluted		<b>0.08</b>	(0.72)

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 STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE FIRST QUARTER ENDED MARCH 31, 2020

	First Quarter Ended	
	March 31, 2020	March 31, 2019
	----- Rupees -----	
<b>Cash Flows From Operating Activities</b>		
Profit / (loss) before taxation	6,236,891	(11,999,638)
<b>Adjustments for:</b>		
Depreciation	1,264,661	1,187,210
Amortisation	144,444	216,661
Financial charges	13,346,398	9,862,638
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net	(2,216,830)	(3,918,020)
Gain on disposal of property, plant and equipment	-	(1,195,522)
	<u>12,538,673</u>	<u>6,152,967</u>
Profit / (loss) before working capital changes	18,775,564	(5,846,671)
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts - unsecured	1,525,528	1,501,999
Short-term investments	(37,226,940)	(77,206,520)
Advances, deposits, prepayments and other receivables	96,846,327	310,746,684
Receivable under margin finance	(29,369,989)	51,793,704
	<u>31,774,926</u>	<u>286,835,867</u>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	22,982,871	4,445,660
Payable to NCCPL	29,679,975	-
Unclaimed dividend	(14,958)	(15,290)
Cash generated from operations	<u>103,198,378</u>	<u>285,419,566</u>
Income tax paid	(1,368,635)	(3,235,632)
Financial charges paid	(709,879)	(562,308)
Net cash generated from operating activities	<u>101,119,864</u>	<u>281,621,626</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(1,446,454)	(292,351)
Proceeds from disposal of property, plant and equipment	-	3,200,000
Net cash (used in) / generated from investing activities	<u>(1,446,454)</u>	<u>2,907,649</u>
<b>Cash Flows From Financing Activities</b>		
	-	-
Net increase in cash and cash equivalents	99,673,410	284,529,275
Cash and cash equivalents at the beginning of the period	24,586,868	(203,706,633)
Cash and cash equivalents at the end of the period	<u>124,260,278</u>	<u>80,822,642</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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE FIRST QUARTER ENDED MARCH 31, 2020

	Share Capital	Unappropriated profit / Accumulated (loss)	Gain/loss on re-measurement investments at 'FVOCI'	Total
----- Rupees -----				
<b>Balance as at December 31, 2018</b>	200,156,500	(27,833,342)	7,720,631	180,043,789
Total comprehensive (loss) / income for the quarter ended March 31, 2019	-	(14,391,895)	4,552,387	(9,839,508)
<b>Balance as at March 31, 2019</b>	200,156,500	(42,225,237)	12,273,018	170,204,281
Total comprehensive loss for the nine months ended December 31, 2019	-	(33,333,981)	(6,299,606)	(39,633,587)
<b>Balance as at December 31, 2019</b>	<b>200,156,500</b>	<b>(75,559,218)</b>	<b>5,973,412</b>	<b>130,570,694</b>
Total comprehensive income / (loss) for the quarter ended March 31, 2020	-	<b>1,543,939</b>	<b>(7,341,524)</b>	<b>(5,797,585)</b>
<b>Balance as at March 31, 2020</b>	<b>200,156,500</b>	<b>(74,015,279)</b>	<b>(1,368,112)</b>	<b>124,773,109</b>

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, 2020

### 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.

### 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, 2019.

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 and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2019.

#### 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, 2019.

#### 2.4 Amendments to approved accounting standards and interpretations which are effective during the year

There are certain new interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

### 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, 2019.

### 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, 2019.

	<u>Un-audited</u> <u>March</u> <u>31, 2020</u>	<u>Audited</u> <u>December</u> <u>31, 2019</u>
	----- Rupees -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening book value	<b>29,807,693</b>	29,907,080
Add: Additions during the period - own	<b>1,446,454</b>	7,075,674
Less: Disposals during the period (at book value)	-	(2,096,199)
Depreciation charged during the period	<b>(1,264,661)</b>	(5,078,862)
	<b>(1,264,661)</b>	(7,175,061)
Closing book value	<u><b>29,989,486</b></u>	<u>29,807,693</u>
<b>6 LONG-TERM INVESTMENTS</b>	<b>Note</b>	
At FVOCI	6.1	<b>12,663,329</b>
At amortised cost	6.1	<b>8,000,000</b>
		<u><b>20,663,329</b></u>
		<u>28,004,853</u>

6.1 Description of investments are as follows:

31-Mar-20		31-Dec-19		Name of Investee Companies	Note	31-Mar-20		31-Dec-19	
Number of Shares		Number of Shares				Cost	Carrying Value	Cost	Carrying Value
----- Rupees -----									
1,602,953	1,602,953			Pakistan Stock Exchange Ltd.	6.2	14,031,433	12,663,329	14,031,433	20,004,853
843,975	843,975			LSE Financial Services Ltd.	6.3	8,000,000	8,000,000	8,000,000	8,000,000
						<b>22,031,433</b>	<b>20,663,329</b>	22,031,433	28,004,853

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 had been sold at a price of Rs. 28/- per share. The Company has pledged 1,081,194 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. 7.90 (December 31, 2019 : Rs. 12.48) 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) had been issued to the Company. The Company has surrendered an inactive TRE Certificate with the PSX as per requirement of the Act.

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 and these 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, 2020</u>	<u>Audited</u> <u>December</u> <u>31, 2019</u>
----- Rupees -----		
<b>7 TRADE DEBTS - UNSECURED</b>		
Trade debts - net	<b>20,050,909</b>	21,576,437
<b>Aging Analysis</b>		
Within 5 days	<b>7,346,795</b>	12,079,748
Above 5 days	<b>14,364,338</b>	11,156,913
Allowance for impairment of trade debts	<b>(1,660,224)</b>	(1,660,224)

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.

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. 11.26 million (December 31, 2019: Rs. 9.74 million).

		<u>Un-audited</u> <u>March</u> <u>31, 2020</u>	<u>Audited</u> <u>December</u> <u>31, 2019</u>
<b>8 CASH AND BANK BALANCES</b>	<b>Note</b>	<b>Rupees</b>	
Cash in hand		50,000	50,000
Cash at banks			
- in deposit accounts	8.1	<u>11,601,663</u>	<u>11,328,527</u>
- in current accounts - pertaining to brokerage house		<u>14,827,010</u>	<u>2,812,308</u>
- in current accounts - pertaining to clients		<u>97,781,605</u>	<u>82,562,580</u>
		<u>124,210,278</u>	<u>96,703,415</u>
		<u>124,260,278</u>	<u>96,753,415</u>

**8.1** These carry mark-up ranging at the rate of 11.25% (December 31, 2019 : 8.00% to 11.25%) per annum.

**8.2** Value of customers assets held in the Central Depository Company under Company's Participant ID as at March 31, 2020 is Rs. 0.62 billion (December 31, 2019 : Rs. 0.66 billion).

		<u>Un-audited</u> <u>March</u> <u>31, 2020</u>	<u>Audited</u> <u>December</u> <u>31, 2019</u>
<b>9 SHORT - TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - Secured</b>	<b>Note</b>	<b>Rupees</b>	
Habib Bank Limited	9.1	-	<u>72,166,547</u>

**9.1** The Company has running finance facilities of Rs. 600 million (December 31, 2019 : Rs. 600 million) under mark-up arrangements. These facilities carry Mark-up at 1 month KIBOR + 0.10% (December 31, 2019 : 1 month KIBOR + 0.10%). This arrangement is valid upto April 30, 2020 on a renewal basis. This facility is secured against pledge of government securities and 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. Securities pledged value related to client(s) were 'nil' ( December 31, 2019 : '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, 2019.

		<u>Un-audited</u> <u>March</u> <u>31, 2020</u>	<u>Un-audited</u> <u>March</u> <u>31, 2019</u>
<b>11 OPERATING REVENUES</b>	<b>Note</b>	<b>Rupees</b>	
Equity brokerage income		<u>49,966,893</u>	<u>26,488,808</u>

## **12 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.

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</u> <u>March</u> <u>31, 2020</u>	<u>Un-audited</u> <u>March</u> <u>31, 2019</u>
Note	Rupees	
<b>Brokerage income earned from:</b>		
Directors	<u>621,386</u>	114,039
Employees	<u>7,026</u>	10,010
<b>Transactions</b>		
Contribution to employees provident fund	<u>836,083</u>	795,700
Salaries and remuneration to Chief Executive Officer	<u>6,004,838</u>	1,060,000
Fee to Non-Executive Director (Independent)	<u>100,000</u>	-
<b>Associate</b>		
Commission expense to Financial Brokerage Group	<u>-</u>	1,503,898
<b>Balances</b>		
Payable to directors in their shares trading accounts	<u>323,727</u>	272,331
Payable to employees in their shares trading account	<u>2,240,714</u>	64,482
<b>Balances of the holding company</b>		
Payable to EFG Hermes Frontier Holdings LLC	<u>45,414,938</u>	14,506,276
<b>Balances of associates</b>		
Payable to Financial Brokerage Group	<u>19,223,063</u>	15,726,404
<b>13 TURNOVER</b>		
The Company shares turnover is as under:	----- Rupees'000 -----	
Retail clients	<u>3,527,668</u>	2,540,000
Institutional clients	<u>28,513,178</u>	13,854,605
Proprietary accounts	<u>184,160</u>	25,352

**14 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on 29 April 2020 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.

\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

## PATTERN OF SHAREHOLDING

As on March 31, 2020

[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
Ms. Mubina	1	1,496,000	7.47
Mr. Muzzammil Aslam	1	1,169,519	5.84
Mr. Irfan Pardesi	1	1,102,065	5.51

CHANGES IN SHAREHOLDINGS HOLDING ABOVE 5%			
Names	Holding Balance as at December 31 2019	Holding Balance as at March 31, 2020	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Ms. Mubina	1,496,000	1,496,000	-
Mr. Muzzammil Aslam	1,233,019	1,169,519	(63,500)
Mr. Irfan Pardesi	1,102,065	1,102,065	-





EFG HERMES PAKISTAN LIMITED  
Office # 904, 9th Floor,  
Emerald Tower, Plot No. G-19,  
Block-5, Clifton, Karachi, Pakistan  
[www.efghermespakistan.com](http://www.efghermespakistan.com)