

NAVIGATING  
UNCERTAINTY

NINE MONTH REPORT SEPTEMBER 30, 2021



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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 Avari - Director  
Mr. Johannes Gunnell - Director  
Mr. Saad Iqbal - CEO & Director

### Audit Committee:

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

### HR & R Committee

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

### 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 (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 Boulevard,  
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)

We, on behalf of Board of Directors of your Company, are pleased to present herewith un-audited condensed interim financial statements of the Company for the third quarter and nine months ended September 30, 2021.

**Performance Review**

During the third quarter ended September 30, 2021, the Company earned operating revenues of Rs. 60.111 million as compared to Rs. 52.945 million for the same period during last year. The Company posted before and after tax profit of Rs. 8.529 million and Rs. 4.723 million respectively as compared to before and after tax profit 8.671 million and Rs. 4.487 million respectively for the corresponding period. During the quarter, the earnings per share for the quarter stood at Rs. 0.24 compared to Rs. 0.22 for the corresponding period.

For the nine months ended September 30, 2021, the Company earned operating revenues of Rs. 198.942 million compared to Rs. 153.842 million for the corresponding period. The Company posted before and after tax profit of Rs. 45.217 million and Rs. 30.330 million respectively compared to before and after tax profit of Rs. 12.140 million and of Rs. 0.494 million for the same period last year. The earnings per share for the nine months stood at Rs. 1.52 compared to Rs. 0.02 for the corresponding period.

The main reason for increase in revenue and earnings in the review period compared to last corresponding period is due to increase in institutional activity and overall market volumes. Further, it is anticipated that the Company performance will be better going forward as institutional activity is expected to pick up due to MSCI rebalancing.

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, October 27, 2021

## ڈائریکٹر زر پورٹ برائے ممبران

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

محترم ممبران

السلام والیکم

میں آپ کی کہنی کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی تیسری سہ ماہی 30 ستمبر 2021 کو ختم ہونے والی کمپنی کی غیر آڈٹ شدہ مہودہ مالی تفصیلات کی رپورٹ پیش کرتا ہوں۔

کارکردگی کا جائزہ:

30 ستمبر 2021 کو ختم ہونے والی تیسری سہ ماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی مد میں 60,111 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 52,945 ملین روپے کمائے تھے۔ قسمل از نکس اور بعد از نکس منافع با ترتیب 8,529 ملین روپے اور 4,723 ملین روپے ہے جبکہ گزشتہ سال مذکور مدت کے دوران قسمل از نکس اور بعد از نکس منافع با ترتیب 8,671 ملین روپے اور 4,487 ملین روپے تھا۔ اس سہ ماہی کے دوران فی حصص آمدنی 0.24 روپے اور متابعتہ گزشتہ سال اسی عرصہ کے دوران فی حصص آمدنی 0.22 روپے تھی۔

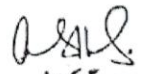
30 ستمبر 2021 کو ختم ہونے والے نو ماہ میں کمپنی نے آپریٹنگ آمدنی کی مد میں 198,942 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 153,842 ملین روپے کمائے تھے۔ کمپنی کا قسمل از نکس اور بعد از نکس منافع 45,217 ملین روپے اور 30,330 ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے دوران قسمل از نکس منافع 12,140 ملین روپے اور بعد از نکس منافع 0,494 ملین روپے تھا۔ نو ماہ کی فی حصص آمدنی 1.52 روپے متابعتہ گزشتہ سال اسی عرصہ کے دوران فی حصص آمدنی 0.02 روپے تھی۔

جائزہ کی مدت کے دوران آمدنی میں اضافہ کی اہم وجہ، متابعتہ گزشتہ سال اسی مدت کے دوران، ادارہ جاتی سرگرمیوں اور مارکیٹ کے مجموعی حجم میں اضافہ ہے۔ مزید، دائم ایس سی آئی کی ری پبلنک کی وجہ سے ادارہ جاتی سرگرمی میں تیزی کی امید ہے جس کی بدولت کمپنی کی کارکردگی میں مزید بہتری متوقع ہے۔

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 اکتوبر 2021



## 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 September 30, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows, and notes to the financial statements for the nine-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 review resulting in this independent auditor's report is Shahid Kamran.

Chartered Accountants

Karachi: October 27, 2021

**RIAZ AHMAD, SAQIB, GOHAR & CO.**

Chartered Accountants

5, Nazim E R.S., Major Nazir Bhutt Road, Off Shahzad-e-Millat Road, Karachi.

Tel: (92 21) 34945427, 34931736, Email: riazgohar@riazgohar.com

Website: www.riazgohar.com

Regional Offices at Lahore & Islamabad



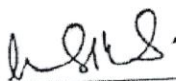
# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

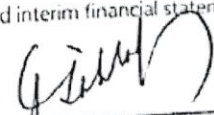
AS AT SEPTEMBER 30, 2021

		Un-audited September 30, 2021	Audited December 31, 2020
ASSETS	Note	Rupees	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	27,349,510	27,463,364
Intangible assets		4,566,825	4,855,728
Long-term investments	6	37,269,922	31,755,763
Long-term deposits		550,000	550,000
		<u>69,736,257</u>	<u>64,624,855</u>
<b>CURRENT ASSETS</b>			
Trade debts	7	14,795,587	9,165,495
Short-term investments		381,172,330	383,966,275
Advances, deposits, prepayments and other receivables		244,848,519	127,524,398
Advance tax - net		42,728,503	51,663,573
Receivable under margin finance		170,136,604	41,357,037
Cash and bank balances	8	114,734,172	183,833,593
		<u>968,415,715</u>	<u>797,510,371</u>
<b>TOTAL ASSETS</b>		<u><u>1,038,151,972</u></u>	<u><u>862,135,226</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
100,000,000 (December 31, 2020: 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		200,156,500	200,156,500
<b>RESERVES</b>			
Gain on re-measurement of investment at FVOCI - net		15,238,481	9,724,322
Accumulated loss		<u>(43,568,120)</u>	<u>(73,897,874)</u>
		<u>171,826,861</u>	<u>135,982,948</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan		375,000,000	375,000,000
<b>CURRENT LIABILITIES</b>			
Short-term running finance	9	215,622,550	65,477,639
Trade and other payables		264,615,649	274,470,959
Unclaimed dividend		11,086,912	11,203,680
		<u>491,325,111</u>	<u>351,152,278</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,038,151,972</u></u>	<u><u>862,135,226</u></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

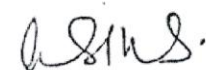


**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE NINE MONTHS AND THIRD QUARTER ENDED SEPTEMBER 30, 2021

	Note	Nine Months Ended		Third Quarter Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		Rupees	Rupees	Rupees	Rupees
<b>OPERATING REVENUES</b>					
Operating revenues	11	181,127,422	127,860,978	53,708,504	47,200,923
Gain on sale of investments-net		17,814,926	25,981,212	6,402,935	5,744,385
		198,942,348	153,842,190	60,111,439	52,945,308
<b>EXPENDITURES</b>					
Administrative and general expenses		(138,383,274)	(118,175,891)	(43,186,949)	(37,959,341)
Operating profit		60,559,074	35,665,299	16,924,490	14,985,967
Other (charges) / income - net		(2,118,698)	2,846,605	(4,799,832)	720,938
Income on margin finance		10,682,895	2,505,928	6,021,061	327,276
Financial charges		(26,565,647)	(32,544,608)	(9,956,507)	(8,331,551)
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net		2,659,195	3,667,510	340,340	968,660
		(15,342,255)	(23,524,565)	(8,394,938)	(6,314,677)
<b>PROFIT BEFORE TAXATION</b>		45,216,819	12,140,734	8,529,552	8,671,290
<b>TAXATION</b>		(14,887,065)	(11,646,208)	(3,806,470)	(4,184,087)
<b>PROFIT AFTER TAXATION</b>		30,329,754	494,526	4,723,082	4,487,203
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Gain / (loss) on re-measurement of investments categorised as 'fair value through other comprehensive income'		5,514,159	6,443,872	(6,491,959)	10,579,490
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>		35,843,913	6,938,398	(1,768,877)	15,066,693
Earnings per share - basic and diluted		1.52	0.02	0.24	0.22

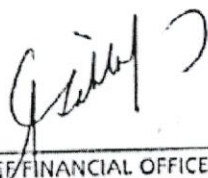
The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER




# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Nine Months Ended	
	September 30, 2021	September 30, 2020
	Rupees	
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	45,216,819	12,140,734
<b>Adjustments for:</b>		
Depreciation	3,830,478	3,865,090
Amortisation	288,903	433,334
Financial charges	26,565,647	32,544,608
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net	(2,659,195)	(3,667,510)
(Gain) / loss on disposal of property, plant and equipment - net	(7,699)	578,045
	28,018,134	33,753,567
Profit before working capital changes	73,234,953	45,894,301
<b>Changes in working capital</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts - unsecured	(5,630,092)	1,362,721
Short-term investments	5,453,140	(10,816,000)
Advances, deposits, prepayments and other receivables	(117,324,121)	40,170,772
Receivable under margin finance	(128,779,567)	(4,573,990)
	(246,280,640)	26,143,503
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(12,876,793)	96,487,961
Unclaimed dividend	(116,768)	(24,232)
Cash (used in) / generated from operations	(186,039,248)	168,501,533
Income tax paid	(5,951,995)	(4,464,373)
Financial charges paid	(23,544,164)	(27,682,521)
Net cash (used in) / generated from operating activities	(215,535,407)	136,354,639
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(3,763,925)	(2,225,454)
Proceeds from disposal of property, plant and equipment	55,000	427,768
Net cash used in investing activities	(3,708,925)	(1,797,686)
<b>Cash Flows From Financing Activities</b>		
Net (decrease) / increase in cash and cash equivalents	(219,244,332)	134,556,953
Cash and cash equivalents at the beginning of the period	118,355,954	24,586,868
Cash and cash equivalents at the end of the period	(100,888,378)	159,143,821

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

  
CHIEF EXECUTIVE OFFICER

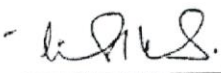
  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

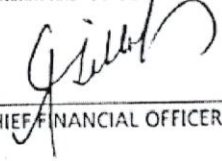
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Share Capital	Accumulated loss	Gain / (loss) on re-measurement investments at "FVOCI"	Total
	----- Rupees -----			
Balance as at December 31, 2019	200,156,500	(75,559,218)	5,973,412	130,570,694
Profit for the nine months ended September 30, 2020	-	494,526	-	494,526
Other comprehensive income for the nine months ended September 30, 2020	-	-	6,443,872	6,443,872
Balance as at September 30, 2020	200,156,500	(75,064,692)	12,417,284	137,509,092
Profit for the fourth quarter ended December 31, 2020	-	1,166,818	-	1,166,818
Other comprehensive loss for the fourth quarter ended December 31, 2020	-	-	(2,692,962)	(2,692,962)
Balance as at December 31, 2020	200,156,500	(73,897,874)	9,724,322	135,982,948
Profit for the nine months ended September 30, 2021	-	30,329,754	-	30,329,754
Other comprehensive income for the nine months ended September 30, 2021	-	-	5,514,159	5,514,159
Balance as at September 30, 2021	<u>200,156,500</u>	<u>(43,568,120)</u>	<u>15,238,481</u>	<u>171,826,861</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 NINE MONTHS AND THIRD QUARTER ENDED SEPTEMBER 30, 2021**1 STATUS AND NATURE OF BUSINESS**

EFG Hermes Pakistan Limited ('the Company') was incorporated under the repealed Companies Ordinance, 1984 (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 repealed Companies Ordinance, 1984 (now Companies Act 2017) 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, 2020.

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, 2020.

## 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 September 30, 2021

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, 2021 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 3	Amended by Reference to the Conceptual Framework.	January 1, 2022
IFRS 4	Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9.	January 1, 2023
IFRS 9	Amended by Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).	January 1, 2022
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
IFRS 16	Amended by Annual Improvements to IFRS Standards 2018–2020 (lease incentives illustrative example).	January 1, 2022
IFRS 16	Amended by Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	April 1, 2021
IAS 1	Amended by Classification of Liabilities as Current or Non-current.	January 1, 2023
IAS 16	Amended by Property, Plant and Equipment — Proceeds before Intended Use,	January 1, 2022



Standard or Interpretation		Effective Date (accounting periods beginning on or after)
IAS 37	Amended by Onerous Contracts — Cost of Fulfilling a Contract.	January 1, 2022
IAS 41	Amended by Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements).	January 1, 2022

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 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 17	Insurance Contracts	January 1, 2021

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended December 31, 2020.

### 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, 2020.

		Un-audited September 30, 2021	Audited December 31, 2020
	Note	Rupees	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Opening book value		27,463,364	29,807,693
Add: Additions during the period - own		3,763,925	3,701,296
Less: Disposals during the period (at book value)		(47,301)	(739,809)
Depreciation charged during the period		(3,830,478)	(5,305,816)
		(3,877,779)	(6,045,625)
Closing book value		27,349,510	27,463,364
<b>6 LONG-TERM INVESTMENTS</b>			
At FVOCI	6.1	29,269,922	23,755,763
At amortized cost	6.1	8,000,000	8,000,000
		37,269,922	31,755,763

## 6.1 Description of investments are as follows:

30-Sep-21		31-Dec-20		30-Sep-21		31-Dec-20		
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	14,031,433	29,269,922	14,031,433	23,755,763	
843,975	843,975	LSE Financial Services Ltd.	6.3	8,000,000	8,000,000	8,000,000	8,000,000	
					22,031,433	37,269,922	22,031,433	31,755,763

6.2 The company has pledged 1,281,194 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. 18.26 (December 31, 2020 : Rs.14.82) 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.

## 7 TRADE DEBTS - UNSECURED

Trade debts - net	<u>14,795,587</u>	<u>9,165,495</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.

Note	Un-audited September 30, 2021	Audited December 31, 2020
	Rupees	

## Aging Analysis

Within 360 days	14,874,296	9,365,657
Above 360 days	1,581,515	1,460,062
Allowance for impairment of trade debts	(1,660,224)	(1,660,224)
	<u>14,795,587</u>	<u>9,165,495</u>

## 8 CASH AND BANK BALANCES

Cash in hand	50,000	50,000
Cash at banks		
- in deposit accounts	8.1 11,438,005	11,296,130
- in current accounts - pertaining to brokerage house	3,114,440	1,661,492
- in current accounts - pertaining to clients	100,121,727	170,825,071
	<u>114,684,172</u>	<u>183,783,593</u>
	<u>114,734,172</u>	<u>183,833,593</u>

8.1 These carry mark-up at the rate of 5.50% (December 31, 2020 : 5.50% to 11.25%) per annum.

8.2 Value of customers assets held in the Central Depository Company under Company's Participant ID as at September 30, 2021 is Rs. 1,866 million (December 31, 2020 : Rs. 1,352 million).

		<u>Un-audited</u> <u>September</u> <u>30, 2021</u>	<u>Audited</u> <u>December</u> <u>31, 2020</u>
	Note	Rupees	

**9 SHORT - TERM RUNNING FINANCE  
UNDER MARK-UP ARRANGEMENTS - Secured**

Habib Bank Limited	9.1	<u>215,622,550</u>	<u>65,477,639</u>
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- 9.1** The Company has running finance facilities of Rs. 600 million (December 31, 2020 : Rs. 600 million) under mark-up arrangements. These facilities carry Mark-up at 1 month KIBOR + 0.10% (December 31, 2020 : 1 month KIBOR + 0.10%). This arrangement is valid upto April 30, 2022 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, 2020 : 'nil').

**10 CONTINGENCIES AND COMMITMENTS**

There are no changes in contingent liabilities since the date of financial statements for the year ended December 31, 2020.

		<u>Un-audited</u> <u>September</u> <u>30, 2021</u>	<u>Un-audited</u> <u>September</u> <u>30, 2020</u>
		Rupees	
<b>11 OPERATING REVENUES</b>			
Equity brokerage income		181,111,340	127,860,525
Fee and commission		11,582	453
Dividend income		4,500	-
		<u>181,127,422</u>	<u>127,860,978</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>September</u> <u>30, 2021</u>	<u>Un-audited</u> <u>September</u> <u>30, 2020</u>
		Rupees	
<b>Brokerage income earned from:</b>			
Directors		<u>1,729,810</u>	<u>2,253,129</u>
Employees		<u>176,915</u>	<u>78,715</u>
Associate		<u>2,294,975</u>	<u>954,919</u>
<b>Transactions</b>			
Contribution to employees provident fund		<u>2,608,417</u>	<u>2,521,908</u>

	<u>Un-audited September 30, 2021</u>	<u>Un-audited September 30, 2020</u>
	<u>Rupees</u>	
Salaries and remuneration to Chief Executive Officer	<u>10,678,534</u>	<u>10,671,893</u>
Fee to Non-Executive Director (Independent)	<u>275,000</u>	<u>300,000</u>
<b>Balances</b>		
Payable to directors in their shares trading accounts	<u>11,892</u>	<u>5,146,864</u>
Payable to employees in their shares trading account	<u>668,212</u>	<u>1,196,448</u>
Receivable from directors in their shares trading accounts	<u>1,194,677</u>	<u>-</u>
Receivable from employees in their shares trading account	<u>670</u>	<u>-</u>
<b>Balances of the holding company</b>		
Payable to EFG Hermes Frontier Holdings LLC	<u>67,293,318</u>	<u>48,061,378</u>
<b>Balances of associates</b>		
Payable to Financial Brokerage Group	<u>19,483,134</u>	<u>19,778,560</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

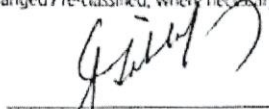
These condensed interim financial statements have been authorized for issue on October 27, 2021 by the Board of Directors of the Company.

### 15 GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

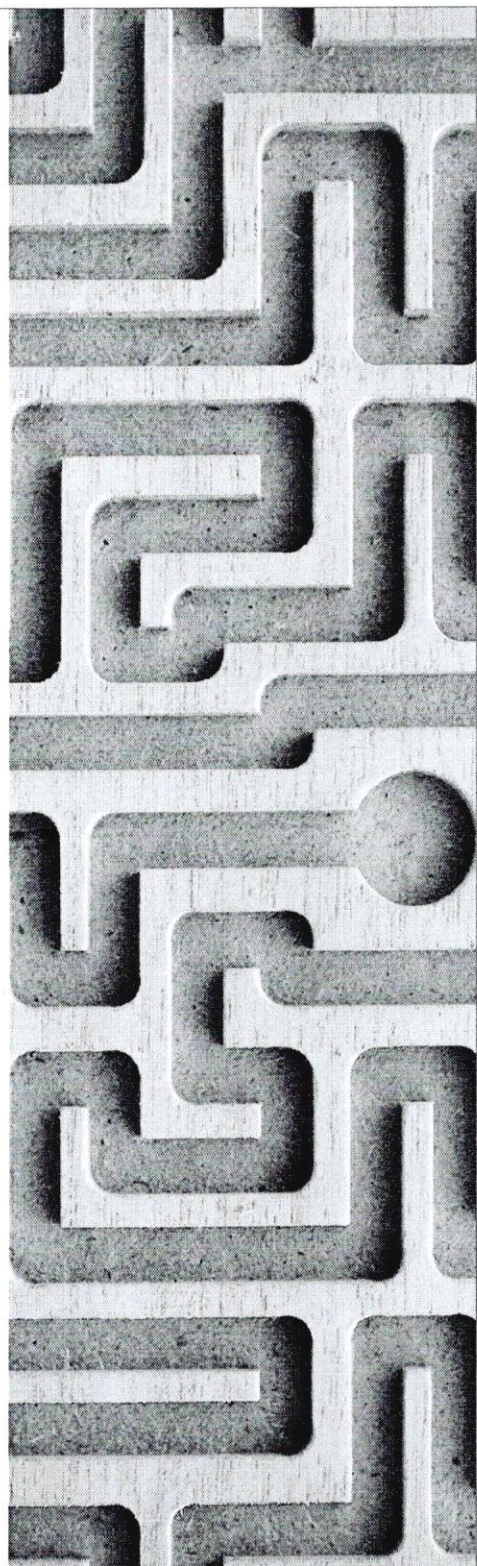


**PATTERN OF SHAREHOLDING****As on September 30, 2021**

[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/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
Ms. Sadaf Farid	1	1,088,001	5.44
Mr. Khalid Raiz		1,463,000	7.31

CHANGES IN SHAREHOLDINGS HOLDING ABOVE 5%			
Names	Holding Balance as at June 30 2021	Holding Balance as at September 30, 2021	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Ms. Sadaf Farid	1,271,501	1,088,001	(183,500)
Mr. Khalid Raiz	800,000	1,463,000	663,000



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