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CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021



**Escorts
Investment**
Bank



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CORPORATE INFORMATION

Board of Directors

Ms. Zainab Malik
(Chairperson)

Mr. Naveed Amin
(Chief Executive Officer)

Mr. Muhammad Mubashir Hussain
Syed Tahir Nawazish
Mr. Tahir Saeed Effendi
Khawaja Nadeem Abbas

Audit Committee

Mr. Muhammad Mubashir Hussain
(Chairman)
Ms. Zainab Malik
(Member)
Khawaja Nadeem Abbas
(Member)

Human Resource & Remuneration (HRR) Committee

Mr. Muhammad Mubashir Hussain
(Chairman)
Ms. Zainab Malik
(Member)
Mr. Naveed Amin
(Member)
Syed Tahir Nawazish
(Member)

Chief Financial Officer

Mr. Muhammad Usman Khalid, ACA

Company Secretary

Mr. Ajwad Ali, FCCA

External Auditors

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Internal Auditors & Tax Consultants

Riaz Ahmad and Company
Chartered Accountants

Legal Advisor

Mandviwalla & Zafar
Advocates

Share Registrar

Hameed Majeed Associates (Private)
Limited

Bankers To the Company

Bank Alfalah Limited
MCB Bank Limited
Sindh Bank Limited
United Bank Limited

Registered Office

Alfalah Building, 1st Floor, Sector-B,
Bahria Town, Mohlanwal Lahore
Tel: (92-42) 35341845-6
www.escortsbank.net
info@escortsbank.net
UAN: 042 111 003 425
Toll Free: 0800 03425



DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited ("Company") are pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the period ended on 30 September 2021.

ECONOMY REVIEW

Despite challenges, the economy is moving progressively with sustainable growth based on various measures, which include monetary & fiscal measures, smart lockdowns, rapid vaccination, etc. However, it is experienced that Pandemics like COVID-19 devastated global economies, and a reasonable time is required to restore the same status of the economy as before pandemic. Pakistan's government is trying it's level best to cope with the pandemic, however, it's a long journey. Further during the period under review SBP increased 25 basis point in the discount rate which was stagnant at 7% since long in the COVID-19 period.

PERFORMANCE REVIEW

During the period under review, the Company continues to follow a conservative approach towards writing new business. As at 30th September 2021, the housing and microfinance portfolio stood at Rs.163.56 million and Rs. 102.18 million respectively. Continuously Lowering of interest rate has affected the Company's profit. The loss for the period under review is Rs. 7.99 million as against Rs. 22.58 million for the corresponding period last year.

INTENTION TO ACQUIRE MAJORITY SHAREHOLDING OF THE COMPANY

Subsequent to the reporting date, Company received a corrigendum of intention whereby it was informed that instead of two proposed acquirers, Syed Sabur Rehman will be the sole proposed acquirer.

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customer for their valued support and acknowledge the efforts of the sponsors for their continued support which will continue to enhance our capabilities to achieve our objectives.

For and on behalf of the Board



Naveed Amin
Chief Executive / Director



Syed Tahir Nawazish
Director

ڈائریکٹرز کی رپورٹ

ایس کارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے کمپنی کے مجموعی عبوری مالیاتی گوشوارے (غیر آڈٹ شدہ) معہ ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی کا اظہار کرتے ہیں۔

معیشت کا جائزہ

چیلنجوں کے باوجود، معیشت مختلف اقدامات کی بنیاد پر پائیدار ترقی کے ساتھ تیزی سے آگے بڑھ رہی ہے، جس میں مالیاتی اور مالیاتی اقدامات، سمارٹ لاک ڈاؤن، تیز رفتار ڈیسلینیشن وغیرہ شامل ہیں۔ تاہم، یہ تجربہ ہے کہ COVID-19 جیسی وبائی امراض نے عالمی معیشتوں کو تباہ کر دیا، اور معیشت کو وبائی مرض سے پہلے والی حالت میں لانے کے لیے ایک لمبا عرصہ درکار ہوگا۔ پاکستان کی حکومت وبائی مرض سے نمٹنے کے لیے ہر ممکن کوشش کر رہی ہے، تاہم، یہ ایک طویل سفر ہے۔ مزید یہ کہ زیر جائزہ مدت کے دوران SBP نے ڈسکاؤنٹ ریٹ میں 25 بیس پوائنٹ کا اضافہ کیا جو COVID-19 کی مدت میں طویل عرصے سے 7% پر جامد تھا۔

کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران، کمپنی نئے کاروبار کو کرنے کے لیے ایک محتاط طریقہ کار پر عمل پیرا ہے۔ 30 ستمبر 2021 تک، ہاؤسنگ اور مائیکرو فنانس پورٹ فولیو بالترتیب 163.56 ملین روپے اور 102.18 ملین روپے تھا۔ شرح سود میں مسلسل کمی نے کمپنی کے منافع کو متاثر کیا ہے۔ زیر جائزہ مدت کے دوران نقصان 7.99 ملین روپے ہے جو کہ گزشتہ سال کی اسی مدت کے دوران 22.58 ملین روپے تھا۔


کمپنی کی اکثریتی شیئر ہولڈنگ حاصل کرنے کا ارادہ


رپورٹنگ کی تاریخ کے بعد، کمپنی کو ایک ارادہ حصول میں درستی موصول ہوئی ہے جس میں بتایا گیا کہ دو مجوزہ حاصل کنندگان کی بجائے سید صبور رحمن واحد مجوزہ حاصل کنندہ ہوں گے۔

اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کے لیے ان کے شکر گزار ہیں اور اسپانسرز کی مسلسل حمایت کے لیے ان کی کوششوں کو تسلیم کرنا چاہتے ہیں جو ہمارے مقاصد کے حصول کے لیے ہماری صلاحیتوں میں اضافہ کرتی رہے گی۔

منجانب/ برائے بورڈ


سید طاہر نواز
ڈائریکٹر


نویدا مین
چیف ایگزیکٹو/ ڈائریکٹر

Condensed Interim Financial Information

(Un-audited)

For the quarter ended 30 September 2021



Condensed Interim Statement of Financial Position

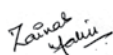
As at 30 September 2021

| | Note | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
|---|------|-------------------------------------|----------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 5 | 194,569,466 | 199,744,552 |
| Intangible assets | 6 | 5,583,542 | 5,808,453 |
| Cards and rooms | | 12,000,000 | 12,000,000 |
| Long term investments | | 24,906,250 | 24,905,000 |
| Long term finances | 7 | 131,165,126 | 144,266,486 |
| Long term deposits | | 25,449,600 | 25,449,600 |
| Deferred tax asset - net | 8 | 179,948,310 | 179,847,449 |
| | | 573,622,294 | 592,021,540 |
| CURRENT ASSETS | | | |
| Current portion of non-current assets | | 48,619,387 | 53,341,114 |
| Short term investments | 9 | 101,794,371 | 124,904,649 |
| Short term finances | 10 | 67,179,859 | 75,013,965 |
| Short term advances | | 5,338,950 | 5,066,280 |
| Prepayments | | 2,219,536 | 1,532,939 |
| Interest accrued | | 9,393,107 | 9,023,525 |
| Other receivables | | 44,185,861 | 44,353,732 |
| Tax refunds due from the government | | 113,529,764 | 113,045,918 |
| Cash and bank balances | 11 | 66,736,419 | 38,278,106 |
| | | 458,997,254 | 464,560,228 |
| TOTAL ASSETS | | 1,032,619,548 | 1,056,581,768 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 300,000,000 (2021: 300,000,000) ordinary shares of Rs. 10 each | | 3,000,000,000 | 3,000,000,000 |
| Issued, subscribed and paid up capital | | 1,356,000,000 | 1,356,000,000 |
| Capital reserves | | 158,402,996 | 158,401,746 |
| Revenue reserve | | (702,403,221) | (694,661,186) |
| Revaluation surplus on property and equipment | | 19,507,918 | 19,754,853 |
| | | 831,507,693 | 839,495,413 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term certificates of deposit | | - | - |
| Lease liabilities | | 65,206,218 | 65,726,758 |
| | | 65,206,218 | 65,726,758 |
| CURRENT LIABILITIES | | | |
| Current portion of non-current liabilities | | 22,578,484 | 47,578,484 |
| Trade and other payables | 12 | 109,061,551 | 99,747,906 |
| Unclaimed dividend | | 2,385,654 | 2,385,654 |
| Provision for taxation | | 1,879,948 | 1,647,553 |
| | | 135,905,637 | 151,359,597 |
| CONTINGENCIES AND COMMITMENTS | 13 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 1,032,619,548 | 1,056,581,768 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairperson




Chief Financial Officer

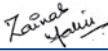
Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2021 (Un-audited)

| | Note | Three months period ended | |
|---|------|-------------------------------------|-------------------------------------|
| | | 30-Sep-21 Rupees (Un-audited) | 30-Sep-20 Rupees (Un-audited) |
| INCOME | | | |
| Profit on financing | | 15,484,362 | 17,030,294 |
| Return on investments | | 2,686,347 | 4,619,935 |
| Income from fee and commission | | 768,921 | 1,085,700 |
| Profit on bank deposits | | 833,161 | 3,916,194 |
| Other income | | 16,055,049 | 642,817 |
| | | 35,827,840 | 27,294,940 |
| EXPENSES | | | |
| Mark-up on borrowings | | - | 2,137,704 |
| Administrative expenses | 14 | 36,646,911 | 45,119,382 |
| Finance cost | | 1,493,488 | 1,550,568 |
| | | 38,140,399 | 48,807,654 |
| Operating loss before provisions and taxation | | (2,312,559) | (21,512,714) |
| Other operating expenses | | (5,544,878) | (754,270) |
| Loss before taxation | | (7,857,437) | (22,266,984) |
| Taxation - net | | (131,534) | (314,442) |
| Loss after taxation | | (7,988,971) | (22,581,426) |
| Loss per share - basic and diluted | | (0.06) | (0.17) |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairperson


Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the quarter ended 30 September 2021 (Un-audited)

| | Three months period ended | |
|---|-------------------------------------|-------------------------------------|
| | 30-Sep-21 Rupees (Un-audited) | 30-Sep-20 Rupees (Un-audited) |
| Loss after taxation | (7,988,971) | (22,581,426) |
| Other comprehensive loss: | | |
| <i>Items that may be reclassified subsequently to statement of profit or loss</i> | | |
| <i>(Loss) / profit on remeasurement of long term investments - net of tax</i> | 1,250 | (1,769,750) |
| Other comprehensive income for the period - net of tax | 1,250 | (1,769,750) |
| Total comprehensive loss for the period | (7,987,721) | (24,351,176) |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairperson



Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2021 (Un-audited)

Rupees

| Particulars | Issued, subscribed and paid up capital | Capital reserves | | Revenue reserve | Revaluation Surplus on Property and Equipment | Total |
|---|--|-------------------|--|-----------------|---|--------------|
| | | Statutory reserve | (Deficit)/ gain on re-valuation of investments | | | |
| Balance as at June 30, 2020 (audited) | 1,356,000,000 | 158,496,746 | 1,250,000 | (614,079,194) | 17,997,309 | 919,664,861 |
| Total comprehensive loss for the year | - | - | - | (36,606,617) | - | (36,606,617) |
| Net loss for the period | - | - | (1,396,625) | - | - | (1,396,625) |
| Other comprehensive (loss) / gain for the period | - | - | (1,396,625) | (36,606,617) | - | (38,003,242) |
| Total comprehensive loss | - | - | (1,396,625) | (36,606,617) | - | (38,003,242) |
| Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax | - | - | - | 449,932 | (449,932) | - |
| Balance as at September 30, 2020 (Un-audited) | 1,356,000,000 | 158,496,746 | (146,625) | (650,235,879) | 17,547,377 | 881,661,619 |
| Balance as at June 30, 2021 (audited) | 1,356,000,000 | 158,496,746 | (95,000) | (694,661,186) | 19,754,854 | 839,495,414 |
| Total comprehensive loss for the period | - | - | - | (7,988,971) | - | (7,988,971) |
| Net loss for the period | - | - | 1,250 | - | - | 1,250 |
| Other comprehensive (loss) / gain for the period | - | - | - | (7,988,971) | - | (7,988,971) |
| Total comprehensive loss | - | - | 1,250 | (7,988,971) | - | (7,987,721) |
| Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax | - | - | - | 246,936 | (246,936) | - |
| Balance as at September 30, 2021 (Un-audited) | 1,356,000,000 | 158,496,746 | (93,750) | (702,403,221) | 19,507,918 | 831,507,693 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairperson




Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the quarter ended 30 September 2021 (Un-audited)

| | Three months period ended | |
|--|-------------------------------------|-------------------------------------|
| | 30-Sep-21 Rupees (Un-audited) | 30-Sep-20 Rupees (Un-audited) |
| | Note | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (7,857,437) | (22,266,984) |
| Adjustment for non cash expenses and other items: | | |
| - Depreciation on property and equipment | 3,536,647 | 3,887,741 |
| - Depreciation on right of use assets | 1,728,438 | 1,728,438 |
| - Amortization on intangible assets | 224,911 | 337,347 |
| - Interest on lease liabilities against right of use assets | 1,452,861 | 1,508,022 |
| - Finance cost | 40,627 | 42,546 |
| - Provision for doubtful balances | 5,544,878 | 754,270 |
| - Gain on investment in short term investments | (1,864,579) | - |
| | 10,663,783 | 8,258,364 |
| | 2,806,346 | (14,008,620) |
| Decrease / (increase) in operating assets | | |
| - Finances - net | 20,112,315 | (53,164,883) |
| - Investments | 24,974,857 | (87,272,826) |
| - Loan and advances | (272,670) | 740,961 |
| - Interest accrued | (369,582) | 675,146 |
| - Other receivables | 167,871 | 350,340 |
| - Deposits and prepayments | (686,597) | 15,021 |
| Increase / (decrease) in operating liabilities | | |
| - Accrued markup | - | 2,137,704 |
| - Trade and other payables | (15,686,355) | (6,428,833) |
| | 28,239,839 | (142,947,370) |
| Net cash used in operations | 31,046,185 | (156,955,990) |
| Finance cost paid | (40,627) | (42,546) |
| Taxation - net | (483,846) | (1,728,360) |
| Net cash used in operating activities | 30,521,712 | (158,726,896) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure on property and equipment | (90,000) | (12,308,893) |
| Capital expenditure on intangible assets | - | (3,109,255) |
| Net cash generated from / (used in) investing activities | (90,000) | (15,418,148) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of lease liabilities | (1,973,399) | (2,021,250) |
| Net cash used in financing activities | (1,973,399) | (2,021,250) |
| Net Decrease in Cash and Cash Equivalents During the Period | 28,458,313 | (176,166,294) |
| Cash and cash equivalents at the beginning of the period | 38,278,106 | 286,662,222 |
| Cash and Cash Equivalents at the End of the Period | 66,736,419 | 110,495,928 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairperson


Chief Financial Officer

Selected Notes to the Condensed Interim Financial Statements

For the quarter ended 30 September 2021 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited (“the Company”) is a public limited company incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on 15 May 1995. The Company started its commercial operations on 16 October 1996 and is listed on the Pakistan Stock Exchange Limited. The Company is licensed to carry out investment finance services, as a Non-Banking Finance Company under Section 282-C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. The registered office of the Company is situated at Alfalah Building, 1st Floor, Sector B, Bahria Town, Lahore.

The Pakistan Credit Rating Agency (PACRA) has maintained long term and short term Credit Ratings of the Company at “A-” and “A2” respectively with stable outlook on 04 April 2021. The ratings denote an adequate capacity of timely payment of financial commitments.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

This condensed interim financial information has 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;
- Provision of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where the provisions of and directives issued under the Companies, Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 30 June 2021. This condensed interim financial information is being presented and submitted to the shareholders as required by Listing Regulations of Pakistan Stock Exchange and under Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021. This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual audited financial statements for the year ended 30 June 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

| | Note | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
|---|-------|-------------------------------------|----------------------------------|
| 5. PROPERTY AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 134,217,522 | 137,674,169 |
| Right-of-use assets | | 57,966,572 | 59,695,011 |
| Advances for purchase of assets | | 2,385,372 | 2,375,372 |
| | | 194,569,466 | 199,744,552 |
| 5.1 Operating fixed assets | | | |
| Opening net book value | | 137,674,169 | 130,935,921 |
| Revaluation surplus for the period / year | | - | 3,742,830 |
| Cost of addition | 5.1.1 | 80,000 | 23,338,671 |
| Less: Book value of deletion during period / year | | - | 3,946,166 |
| Less: Depreciation for the period / year | 14 | 3,536,647 | 16,397,087 |
| Closing net book value | | 134,217,522 | 137,674,169 |
| 5.1.1 Cost of addition | | | |
| Improvement on leasehold premises | | - | 4,276,367 |
| Office premises | | - | 16,826,161 |
| Office furniture and fixtures | | - | 939,785 |
| Computers | | - | 65,049 |
| Office equipment | | 80,000 | 1,125,479 |
| Vehicles | | - | 105,830 |
| | | 80,000 | 23,338,671 |
| 6. INTANGIBLE ASSETS | | | |
| Accounting software | 6.1 | 2,474,287 | 2,699,198 |
| Advance for ERP implementation | | 3,109,255 | 3,109,255 |
| | | 5,583,542 | 5,808,453 |
| 6.1 Accounting software | | | |
| Net carrying value | | | |
| At 01 July | | 2,699,196 | 4,048,592 |
| Less: Amortization charge | 14 | 224,911 | 1,349,396 |
| | | 2,474,285 | 2,699,196 |

| | | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
|---|-------------|--|----------------------------------|
| | Note | | |
| 7. LONG TERM FINANCES | | | |
| House finance - secured | 7.1 | 163,557,503 | 171,081,488 |
| Micro finance | 7.2 | 25,539,754 | 17,091,256 |
| Others | 7.3 | 31,570,717 | 46,127,291 |
| | | 220,667,974 | 234,300,035 |
| Less: Allowance for expected credit losses | | 42,978,788 | 38,772,964 |
| | | 177,689,186 | 195,527,071 |
| Less: Current maturity | | 46,453,402 | 51,175,129 |
| Less: General provision for micro finance portfolio | | 70,658 | 85,456 |
| | | 131,165,126 | 144,266,486 |

7.1 It represents amount disbursed to house finance customers at return rate ranging from 13.98% to 22.42% (2021: 13.98% TO 22.42%) per annum for tenure of 02 to 20 years.

7.2 It represents amount disbursed to micro finance customers at return rate ranging from 38.50% to 45% (2021: 38.50% TO 45%) per annum for tenure of 01 to 2 years.

7.3 These finance facilities are secured by hypothecation of or charge on assets, mortgage of property, lien over bank deposits and pledge of stocks. The expected rate of return range from 12% to 20% (2021: 12% to 20%) per annum.

8. DEFERRED TAX ASSET - NET

Net deferred tax asset has been recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management of the Company is certain that the Company would have taxable profits in foreseeable future.

| | | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
|--|-------------|--|----------------------------------|
| | Note | | |
| 9. SHORT TERM INVESTMENTS | | | |
| Amortised cost | | | |
| Treasury bills | 9.1 | 14,898,466 | 14,873,323 |
| Fair value through profit or loss (FVTPL) | | | |
| Mutual funds | | 78,216,155 | 101,351,576 |
| - 7,545,815.9628 (2021: 10,001,635.7646) units of Rs. 10.1335(2021: Rs. 10.3655) each | | | |
| Shares - Others | 9.2 | 8,679,750 | 8,679,750 |
| | | 101,794,371 | 124,904,649 |
| 9.1 Treasury bills | | | |
| Face Value | | 15,000,000 | 15,000,000 |
| Less: Discount | | 101,534 | 126,677 |
| | | 14,898,466 | 14,873,323 |

9.2 Shares - Others

This represents investments in various listed companies shares. Due to the changes in NBFC Regulations in 2008, the Company had to conclude its brokerage business under the Investment Finance Services License. The Company started the process of intimating its brokerage clients to close their accounts with the Company in compliance with these regulations. Most of the account holders have closed their accounts accordingly. Certain accounts could not be transferred/closed because of non receipt of response from the holders despite repeated reminders. The management has decided to record these on statement of financial position as an asset and a corresponding liability of the same amount.

| | Note | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
|---|------|-------------------------------------|----------------------------------|
| 10. SHORT TERM FINANCES | | | |
| Micro finance | | 76,644,838 | 83,125,092 |
| Others | | 14,426,871 | 14,426,871 |
| | | 91,071,709 | 97,551,963 |
| Less: Allowance for expected credit losses | | 23,554,263 | 22,159,951 |
| Less: General provision for micro finance portfolio | | 337,587 | 378,047 |
| | | 67,179,859 | 75,013,965 |
| 11. CASH AND BANK BALANCES | | | |
| Cash in hand | | 738,361 | 214,415 |
| Cash with banks: | | | |
| Current accounts with: | | | |
| State Bank of Pakistan | | 234,623 | 130,809 |
| Others | | 46,073,860 | 21,555,396 |
| | | 46,308,483 | 21,686,205 |
| Saving and deposit accounts | 11.1 | 19,689,575 | 16,377,486 |
| | | 66,736,419 | 38,278,106 |

11.1 Rate of return on these accounts range from 5.52% to 6.50% (30 June 2021: 5.52% to 6.50%) per annum.

12. TRADE AND OTHER PAYABLES

This includes an amount of Rs. 61.173 million (30 June 2021: Rs. 36.647 million) payable to depositors. This remained unpaid due to non-submission of succession certificates (by legal heirs of depositors) lien created by Bahria Town and other legal issues.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 June 2021.

| | | 30-Sep-21 | 30-Jun-21 |
|-------------|--|----------------------------------|---------------------|
| | | Rupees | Rupees |
| | | (Un-audited) | (Audited) |
| 13.2 | Commitments | | |
| | ERP implementation agreement | 4,071,174 | 4,071,174 |
| | House finance customer | 1,500,000 | 4,200,000 |
| | | Three months period ended | |
| | | 30-Sep-21 | 30-Sep-20 |
| | | Rupees | Rupees |
| | | (Un-audited) | (Un-Audited) |
| | Note | | |
| 14. | ADMINISTRATIVE EXPENSES | | |
| | Salaries, allowance and other benefits | 20,004,294 | 24,188,250 |
| | Staff training and welfare | 7,500 | 764,400 |
| | Advertisement and business promotion | - | 91,670 |
| | Rent, rates and taxes | 197,065 | 447,502 |
| | Utilities | 1,958,502 | 2,201,285 |
| | Communication charges | 770,452 | 924,711 |
| | Travelling and vehicle maintenance | 1,017,219 | 1,280,553 |
| | Repair and maintenance | 708,840 | 1,077,396 |
| | Entertainment | 212,345 | 324,880 |
| | Fee and subscriptions | 677,026 | 785,238 |
| | Legal and professional charges | 4,281,869 | 5,719,370 |
| | Printing and stationery | 282,673 | 359,149 |
| | Insurance | 1,004,410 | 1,001,452 |
| | Depreciation on property and equipment | 3,536,647 | 3,887,741 |
| | Depreciation on right of use assets | 1,728,438 | 1,728,438 |
| | Amortization on intangible assets | 224,911 | 337,347 |
| | Miscellaneous expenses | 34,720 | - |
| | | 36,646,911 | 45,119,382 |

14.1 This includes contribution to provident fund amounting to Rs. 0.633 million (30 September 2020: Rs. 0.479 million) made by the Company in the approved provident fund trust.

15. SEGMENTAL ANALYSIS

The Company's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

15.1 Financing activities

House finance activities

House finance activities include providing long-term financing facilities to individuals (both salaried and self-employed) of house finance customers.

Micro finance activities

Micro finance activities include providing long-term and short-term financing facilities to poor individuals (both salaried and self-employed) and micro - enterprise customers.

Term and other finance activities

Term finance activities include providing long-term financing facilities to corporate entities and individuals. Other operations that do not fall into the above referred activities are reported under 'Term and other finance activities'.

15.2 Investing activities

Investing activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Company's liquidity.

Quarter ended 30 September 2021 (Un-audited)

| | Financing activities | | | Investing activities | Total |
|---|--------------------------|--------------------------|---------------------------------|----------------------|---------------------|
| | House finance activities | Micro finance activities | Term & other finance activities | | |
| | -----Rupees----- | | | | |
| Profit on financing | 6,725,825 | 8,758,537 | - | - | 15,484,362 |
| Income from fee and commission | 24,021 | 744,900 | - | - | 768,921 |
| Return on investments | - | - | - | 3,519,508 | 3,519,508 |
| Total income for reportable segments | 6,749,846 | 9,503,437 | - | 3,519,508 | 19,772,791 |
| Finance costs | 14,589 | 1,461,198 | 232 | 17,470 | 1,493,489 |
| Administrative expenses | 13,351,270 | 21,488,090 | 149,247 | 1,658,302 | 36,646,910 |
| Other operating expenses | 3,928,555 | 1,616,323 | - | - | 5,544,878 |
| Segment result | (10,544,568) | (15,062,174) | (149,479) | 1,843,736 | (23,912,486) |
| Other income - net | | | | | 16,055,049 |
| Loss before taxation | | | | | (7,857,437) |

As at 30 September 2021 (Un-audited)

| | Financing activities | | | Investing activities | Total |
|----------------------------|--------------------------|--------------------------|---------------------------------|----------------------|----------------------|
| | House finance activities | Micro finance activities | Term & other finance activities | | |
| | -----Rupees----- | | | | |
| Segment assets | 177,873,147 | 181,417,449 | 2,165,985 | 139,780,894 | 501,237,475 |
| Unallocated assets | | | | | 531,382,073 |
| | | | | | <u>1,032,619,548</u> |
| Segment liabilities | 8,010,298 | 76,703,314 | 104,971 | 7,918,874 | 92,737,457 |
| Unallocated liabilities | | | | | 108,374,398 |
| Equity | | | | | 831,507,693 |
| | | | | | <u>1,032,619,548</u> |

Quarter ended 30 September 2020 (Un-audited)

| | Financing activities | | | Investing activities | Total |
|---|--------------------------|--------------------------|---------------------------------|----------------------|---------------------|
| | House finance activities | Micro finance activities | Term & other finance activities | | |
| | -----Rupees----- | | | | |
| Profit on financing | 6,849,927 | 10,180,367 | - | - | 17,030,294 |
| Income from fee and commission | - | 1,085,700 | - | - | 1,085,700 |
| Return on investments | - | - | - | 8,536,129 | 8,536,129 |
| Total income for reportable segments | 6,849,927 | 11,266,067 | - | 8,536,129 | 26,652,123 |
| Finance costs | 506,316 | 1,868,656 | 38,360 | 1,274,940 | 3,688,272 |
| Administrative expenses | 15,689,800 | 26,508,042 | 806,547 | 2,114,993 | 45,119,382 |
| Segment result | (9,346,189) | (17,110,631) | (844,907) | 5,146,196 | (22,155,531) |
| Other income - net | | | | | (111,453) |
| Loss before taxation | | | | | <u>(22,266,984)</u> |

As at 30 June 2021 (Audited)

| | Financing activities | | | Investing activities | Total |
|----------------------------|--------------------------|--------------------------|---------------------------------|----------------------|----------------------|
| | House finance activities | Micro finance activities | Term & other finance activities | | |
| | -----Rupees----- | | | | |
| Segment assets | 187,625,757 | 183,496,135 | 2,165,985 | 162,885,089 | 536,172,966 |
| Cash and bank balances | | | | | 38,278,106 |
| Unallocated assets | | | | | 482,130,696 |
| | | | | | <u>1,056,581,768</u> |
| Segment liabilities | 18,264,582 | 82,504,827 | 208,397 | 17,366,394 | 118,344,200 |
| Unallocated liabilities | | | | | 98,742,155 |
| Equity | | | | | 839,495,413 |
| | | | | | <u>1,056,581,768</u> |

16. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, local associated companies / undertakings, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

| Relation with the Company | Nature of transaction | Quarter ended | |
|---------------------------------------|--|--|---|
| | | 30-Sep-21 Rupees (Un-audited) | 30-Sep-20 Rupees (Un-Audited) |
| Transactions during the period | | | |
| Holding Company | | | |
| | Payment against purchase of vehicles at fair value | - | 12,000,000 |
| | Utilities expense | 1,227,208 | 1,371,747 |
| Associated Companies | | | |
| | Bahria Grand Hotel and Resort | | |
| | Entertainment expense | - | 21,081 |
| | The Safari Club | | |
| | Entertainment expense | 6,000 | - |
| Executives | Remuneration to key management personnel | 5,384,513 | 6,024,559 |
| Others | Contribution to staff retirement benefits plan | 636,201 | 478,738 |
| | | 30-Sep-21 Rupees (Un-audited) | 30-Jun-21 Rupees (Audited) |
| Balance at year end | | | |
| Holding Company | | | |
| | Trade and other payables | 423,594 | 334,916 |
| | Security deposit against branches | 25,000,000 | 25,000,000 |
| Associated Companies | | | |
| | Other Associated Companies | | |
| | Entertainment | 8,050 | 8,050 |
| | Employees provident fund | 429,652 | 424,644 |

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose itself to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2021.

The Company's financial risk management objective and policies are consistent with those disclosed in the annual financial statements of the Company and for the year ended 30 June 2021.

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their face value.

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

19. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 28th October 2021.

20. GENERAL

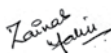
In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Chairperson

















Chief Financial Officer



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