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QUARTERLY
REPORT

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Escorts
Investment
Bank

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED **31 MARCH 2023**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Tahir Nawazish
(Chairman)

Mr. Basit Rahman Malik
Chief Executive / Director

Mr. Rashid Aziz

Mr. Muhammad Mubashir Hussain
Khawaja Nadeem Abbas

Mr. Muhammad Rasheed Alam

Ms. Madiha Arooj

AUDIT COMMITTEE

Mr. Rashid Aziz(Chairman)

Khawaja Nadeem Abbas..... (Member)

Syed Tahir Nawazish.....(Member)

HUMAN RESOURCE & REMUNERATION (HRR) COMMITTEE

Mr. Rashid Aziz(Chairman)

Mr. Basit Rahman Malik.....(Member)

Syed Tahir Nawazish.....(Member)

RISK MANAGEMENT COMMITTEE

Mr. Rashid Aziz(Chairman)

Syed Tahir Nawazish.....(Member)

Mr. Basit Rahman Malik(Member)

CHIEF FINANCIAL OFFICER

Hafiz Muhammad Usman

COMPANY SECRETARY

Sheikh Faisal Saeed, APFA

EXTERNAL AUDITORS

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

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

Ground Floor, 26-Davis Road, Lahore.

Tel: (92-42) 36361393-5

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DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited ("Company") is pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the quarter ended on 31 March 2023.

ECONOMY REVIEW

During the quarter under review, Monetary Policy Committee (MPC) increased the policy rate by 100 and 300 basis points in January and March respectively and now stands at 21 percent per annum. It has resulted in a considerable increase in markup cost for the businesses and their viability thereon. Though, these measures have been taken by the State Bank of Pakistan (SBP) to control the inflationary trend in the economy but the exchange rate depreciation coupled with the recent increase in the prices of POL (Petroleum, Oils & Lubricants) products are likely to harm the efforts put forth for uplifting the economy.

In the backdrop of the devastating floods of 2022 in Pakistan, the government of Pakistan and the United Nations co-hosted a conference on climate change in Geneva on 09 January 2023 titled "The International Conference on Climate Resilient Pakistan". The international community pledged to compensate and help Pakistan in rehabilitating and rebuilding its infrastructure.

Presumably, during the current crop season, the changing climate patterns may jeopardize the yield of the major crops of Pakistan including wheat, rice sugarcane etc., which may disturb the apt position of demand and supply equilibrium.

Prevailing political uncertainty and chaotic scenario has also been a major stumbling block in hampering the businesses to grow and stagnating the economy of Pakistan. A probable delay in formulation and implementation of a solid stabilization program along with sound economic plans and strategies may cause the economy to worsen and not be on track to achieve the desired GDP growth.

PERFORMANCE REVIEW

The management has devised its overall business plan and strategy in order to turn around the company by focusing on new business avenues like gold and pension loans and at the same time, keeping a tight control over cost of doing business. In order to regularize the NPLs of micro finance loans during the COVID-19 lockdown period, the Company has been able to devise a strategy to recover it partially.

Moreover, the Company has been able to reduce its losses during the period under review. The reported loss for the nine months stands at Rs. 40.006 million as against loss of Rs. 52.238 million for the corresponding period last year.

Appropriate planning by the management have enabled Company in curtailing the provisions to Rs. 1.711 million as compared to the provisions of Rs. 11.578 million for the corresponding period last year. Moreover, as of 31st March 2023, the housing finance portfolio stood at Rs.111.708 million.

Since the management is focusing on High-Yield Products like Microfinance, therefore, it has been able to enhance its portfolio from Rs. 100.150 million as at 31st March 2022 to Rs. 137.827 million as at 31st March 2023 with an increase of 37.62 percent.

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customers for their valued trust & subsistence, and also, thank all the staff members for their unwavering commitment and dedication during this challenged time period. We also acknowledge the efforts of the sponsors for their continued support, which will not only be a constant source of encouragement but will also enable us develop a reliable team and nurture our capabilities meant for achieving the organizational goals and objectives.

For and on behalf of the Board,



Basit Rehman Malik
Chief Executive / Director



Syed Tahir Nawazish
Director

ڈائریکٹرز کی رپورٹ

ایئر کانسٹریٹس اینڈ ایئر لائنز (پبلک لیٹیڈ کمپنی) کے بورڈ آف ڈائریکٹرز، ڈائریکٹرز، ڈائریکٹرز کی رپورٹ اور کمپنی کے 31 مارچ 2023 کو اختتام پزیر ہونے والی سرگرمیوں کے اختتامی رپورٹ کے بارے میں گورنر سے تہمتیں کرنے پر مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

زیر نظر سرگرمیوں کے دوران، مانیٹرینگ پولیسی کمیٹی (MPC) نے جنوری اور مارچ میں پالیسی ریٹ میں بائیں تیب 100 اور 300 بیس پوائنٹس کا اضافہ کیا ہے اور اب یہ 21 فیصد لائٹ ہے۔ اس کے نتیجے میں کاروباروں کے لیے سودی لائٹ میں حتمی طور پر خود اعتمادی ہو گئی اور ان کا قابل عمل رہا۔ اس کا مطلب یہ ہے کہ اقدامات ایشیائی بینک آف پاکستان نے ہو گئی پر قابو پانے کے لیے کیے تھے۔ لیکن شرح مبادلہ میں کمی اور پٹرولیم مصنوعات کی قیمتوں میں حساب اضافہ تمام کوششوں کو نقصان پہنچا سکتا ہے۔

پاکستان میں 2022 کے نیاہٹن سببوں کے پس منظر میں، حکومت پاکستان اور اقوام متحدہ نے 9 جنوری 2023 کو ہسٹریا میں موسمیاتی تبدیلیوں پر ایک کانفرنس کی مشترکہ سبزیائی کی، جس کا عنوان تھا "دی انٹرنیشنل کانفرنس آن کلائمٹ ریسیلیٹ پاکستان"۔ عملی برادری نے پاکستان کو معاوضہ دینے اور اضطراری سہولتوں کی تعمیر نو میں اس کی مدد کرنے کا وعدہ کیا۔

مکمل طور پر موجودہ فصل کے سیزن کے دوران، ہڈے ہوئے آب و ہوا کے پیرن پاکستان میں بڑی فصلوں (گندم، چاول، گنا) کی پیداوار کو خطرے میں ڈال سکتے ہیں۔ جس سے طلب اور رسد کا توازن بگڑ سکتا ہے۔

موجودہ سیاسی غیر یقینی صورتحال اور افزائشی کا منظر نامہ بھی پاکستان میں کاروبار کی ترقی میں رکاوٹ ہے اور معیشت کو جمود کا شکار کر رہا ہے۔ خصوصاً اقتصادی منصوبہ بندی اور حکمت عملی کی تشکیل میں تاخیر نہ صرف معیشت کو مزید خراب کرنے کا سبب ہو سکتی ہے بلکہ مطلوبہ بی ڈی پی نمو کے حصول میں رکاوٹ بن سکتی ہے۔

کارکردگی کا جائزہ

اقتصادی ناپائیدار محسوس کی گئی اور حکومت عملی و شمع کی ہے تاکہ سونے اور چھٹن کے قرضوں میں کمی کاروباری سہولتوں پر توجہ مرکوز کر کے اور ساتھ ہی ساتھ کاروبار کرنے کی لائٹ پر بھی سخت کنٹرول کے کمپنی کو منافع بخش بنانا چاہیے۔ COVID-19 لاک ڈاؤن کی مدت کے دوران ماسیکرو فنانس قرضوں کے این پی ایل کو ریگولر رائز کرنے کے لیے کمپنی نے حکمت عملی و شمع کی ہے اور ان قرضوں کی وصولی شروع ہو چکی ہے۔

مزید یہ کہ کمپنی زیر حجازہ مدت کے دوران اپنے نقصانات کو کم کرنے میں کامیاب رہی ہے۔ نو مہینوں کے لیے رپورٹ کردہ نقصان 40.006 ملین روپے ہے جو کہ گزشتہ سال کی اسی مدت کے لیے 52.238 ملین روپے تھا۔

اقتصادی کی حساب سے مناسب منصوبہ بندی نے پروڈیون کی مدت میں حتمی طور پر خود اعتمادی کی ہے اور یہ 1.711 ملین روپے ہے جو کہ گزشتہ سال کی اسی مدت کے لیے 11.578 ملین روپے تھی۔ مزید یہ کہ 31 مارچ 2023 تک ہانگ فنانس پورٹ فولیو 111.708 ملین روپے تھا۔

چونکہ اقتصاد میں ماسیکرو فنانس میں عملی پیداوار والی مصنوعات پر توجہ مرکوز کر رہی ہے اور وہ اپنے پورٹ فولیو کو جو کہ 31 مارچ 2022 تک 100.150 ملین روپے تھا، اسے 37.62 فی صد اضافے کے ساتھ 31 مارچ 2023 تک 137.827 ملین روپے پر لے آیا۔

اعتراف

ڈائریکٹرز اپنے مسدود شدہ قرضوں کے قابل قدر اعتماد اور بقا کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں، اور اس مشکل وقت کے دوران تمام عملے کے اراکین کے غیر مستزول عزم اور لگن کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اس پائیدار کاروبار اور مسلسل حمایت کو تسلیم کرتے ہیں، جو نہ صرف حوصلہ افزائی کا ایک مستقل ذریعہ ہے بلکہ ہمیں ایک قابل اعتماد اور ایم تیار کرنے اور تنظیمی اہداف اور معتمد کے حصول کے لیے اپنی صلاحیتوں کو پروان چڑھانے کے قابل بنائے گا۔

منجانب/ برائے بورڈ



سید طاہر نواز
ڈائریکٹر



بسطار حسان ملک
چیف ایگزیکٹو/ ڈائریکٹر

A black and white photograph of a hand pointing to a document. The document contains a table with several columns and rows, and some text. The hand is in the foreground, with the index finger pointing towards the right. The background is blurred, showing more of the document and possibly a laptop screen.

Condensed Interim Financial Information

(Un-audited)
For the Period ended 31 March 2023

Condensed Interim Statement of Financial Position

As at 31 March 2023

	Note	31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	158,703,280	180,251,427
Intangible assets	6	4,458,966	16,908,808
Long term investments		25,087,500	25,087,500
Long term finances	7	75,999,522	107,300,941
Long term deposits		8,204,274	11,114,274
Deferred tax asset - net	8	119,550,921	119,263,467
		392,004,463	459,926,417
CURRENT ASSETS			
Current portion of non-current assets		57,105,416	46,863,627
Short term investments		130,268,070	56,772,436
Short term finances		93,502,524	80,037,363
Short term advances		13,194,643	3,534,149
Prepayments		2,827,208	1,681,704
Interest receivable		12,888,872	10,881,406
Other receivables		6,251,399	5,322,001
Tax refunds due from the government		62,012,717	58,547,989
Cash and bank balances	9	20,713,564	116,323,821
		398,764,413	379,964,496
TOTAL ASSETS		790,768,876	839,890,913
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 300,000,000 (2022: 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		158,584,246	158,584,246
Revenue reserve		(929,397,986)	(890,095,362)
Revaluation surplus on property and equipment		18,063,343	18,767,110
		603,249,603	643,255,994
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		52,923,020	60,463,977
CURRENT LIABILITIES			
Current portion of non-current liabilities	10	7,699,336	7,707,193
Trade and other payables	11	120,658,246	123,458,243
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		3,853,017	2,619,852
		134,596,253	136,170,942
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		790,768,876	839,890,913

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Profit or Loss

For the Period and quarter ended 31 March 2023 (un-audited)

	Note	Nine months ended		Quarter ended	
		31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-audited)	31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-audited)
INCOME					
Profit on financing		49,807,328	42,776,721	16,595,525	13,447,308
Return on investments		13,329,209	6,579,986	4,596,246	2,229,222
Income from fee and commission		4,268,424	2,761,811	1,237,723	1,199,350
Profit on bank deposits		6,726,583	4,739,233	2,254,261	2,127,495
Other income		4,359,084	24,899,713	(1,911,617)	4,924,963
		78,490,628	81,757,464	22,772,138	23,928,338
EXPENSES					
Administrative expenses	13	112,275,554	118,412,015	37,352,880	39,233,695
Finance cost		3,564,591	3,581,431	1,336,192	1,156,472
		115,840,145	121,993,446	38,689,072	40,390,167
Operating loss before provisions and taxation		(37,349,517)	(40,235,982)	(15,916,934)	(16,461,829)
Provision against doubtful finances & Write offs - Net	14	(1,711,163)	(11,578,917)	(638,203)	(532,039)
Loss before taxation		(39,060,680)	(51,814,899)	(16,555,137)	(16,993,868)
Taxation - net		(945,711)	(423,609)	(507,082)	(142,010)
Loss after taxation		(40,006,391)	(52,238,508)	(17,062,219)	(17,135,878)
Loss per share - basic and diluted		(0.30)	(0.39)	(0.13)	(0.13)

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the Period and quarter ended 31 March 2023 (un-audited)

	Nine months ended		Quarter ended	
	31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-audited)	31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-audited)
Loss after taxation	(40,006,391)	(52,238,508)	(17,062,219)	(17,135,878)
Other comprehensive income/(loss)				
<i>Items that will not be reclassified to statement of profit/(loss)</i>	-	-	-	-
<i>Items that may be reclassified subsequently to statement of profit/(loss)</i>				
<i>profit / (Loss) on remeasurement of long term investments - net of tax</i>	-	1250	-	-
Other comprehensive income for the period - net of tax	-	1250	-	-
Total comprehensive income/(loss) for the period	(40,006,391)	(52,237,258)	(17,062,219)	(17,135,878)

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2023 (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, 2021 (audited)	1,356,000,000	158,496,746	(95,000)	(694,661,186)	19,754,854	839,495,414
Total comprehensive (loss) / gain for the period						
Net loss for the period	-	-	-	(52,238,508)	-	(52,238,508)
Other comprehensive (loss) / gain for the period	-	-	1,250	-	-	1,250
Total comprehensive (loss) / gain	-	-	1,250	(52,238,508)	-	(52,237,258)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	-	740,808	(740,808)
Balance as at March 31, 2022 (Un-audited)	1,356,000,000	158,496,746	(93,750)	(746,158,886)	19,014,046	787,258,156
Balance as at June 30, 2022 (audited)	1,356,000,000	158,496,746	87,500	(890,095,362)	18,767,110	643,255,994
Total comprehensive (loss) / gain for the period						
Net (loss) for the period	-	-	-	(40,006,391)	-	(40,006,391)
Other comprehensive (loss) / gain for the period	-	-	-	-	-	-
Total comprehensive (loss) / gain	-	-	-	(40,006,391)	-	(40,006,391)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	703,767	(703,767)	-
Balance as at March 31, 2023 (Un-audited)	1,356,000,000	158,496,746	87,500	(929,397,986)	18,063,343	603,249,603

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the period ended 31 March 2023 (un-audited)

	Note	Period ended	
		31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-audited)
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(39,060,680)	(51,814,899)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	13	9,847,510	10,519,095
- Depreciation on right of use assets	13	6,412,797	6,062,200
- Amortization on intangible assets	13	449,842	674,730
- Interest on lease liabilities against right of use assets		3,119,777	3,486,594
- Gain on sale of fixed assets - net		(4,033,593)	-
- Loss on sale of intangible assets		3,000,000	-
- Finance cost		444,814	94,837
- Provision for doubtful balances & write off - Net	14	1,711,163	11,578,917
- Gain on investment in short term investments		27	-
		20,952,337	32,416,373
		(18,108,343)	(19,398,526)
Decrease / (increase) in operating assets			
- Finances - net		5,883,306	32,772,703
- Investments		(73,495,661)	92,890,194
- Loan and advances		(9,891,300)	1,180,521
- Interest accrued		(2,007,466)	(665,807)
- Other receivables		(929,398)	25,619,321
- Deposits and prepayments		1,764,496	(368,776)
Increase / (decrease) in operating liabilities			
- Trade and other payables		(2,799,997)	(17,301,167)
		(81,476,020)	134,126,989
Net cash generated from / (used in) operations		(99,584,363)	114,728,463
Finance cost paid		(444,814)	(94,837)
Taxation - net		(3,464,728)	(1,851,632)
Net cash generated from / (used in) operating activities		(103,493,905)	112,781,994
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment	5.1.1	(2,683,285)	(7,506,530)
Proceeds from sale of property and equipment		9,730,408	7,329,387
Proceeds from sale of intangible assets		9,000,000	-
Net cash generated from / (used in) investing activities		16,047,123	(177,143)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(8,163,475)	(10,375,559)
Net cash generated from / (used in) financing activities		(8,163,475)	(10,375,559)
Net (Decrease) / Increase in Cash and Cash Equivalents During the Period		(95,610,257)	102,229,292
Cash and cash equivalents at the beginning of the period		116,323,821	38,278,106
Cash and Cash Equivalents at the End of the Period		20,713,564	140,507,398

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Selected Notes to the Condensed Interim Financial Statements

For the period ended 31 March 2023 (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 Ground Floor, 26 Davis Road, Lahore.

The regional offices are located as follows:

REGIONAL OFFICE	Address
Lahore	Bahria Town, Corporate Office, Bahria Orchard, Raiwind Road.
Karachi	Bahria Town, Head Office, Bahria Town Super Highway.
Rawalpindi / Islamabad	Bahria Town, Head Office, Phase VIII, Rawalpindi.
	Bahria Enclave Head Office Sector-J, Phase-2 Islamabad.
Ellahabad	Tufail Plaza Near Pso Pump, Chunian Road, District Kasur.
Hafizabad	Gujranwala Road, Opposite Admore Petrol Pump, Tehsil & District Hafizabad.
Nankana	Haider Plaza B-II-IS-II, Malji Road, Tehsil & District Nankana Sahib.
Sambrial	Near Makki Masjid, Mohala Naik Pura, Wazirabad Road, District Sialkot, Sambrial.
Gojra	P-156 Eidgah Road, District Toba Tek Singh, Gojra.
Sheikhupura	Opposite New Sabazimandi, Lahore Road, Sheikhupura.

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 20 March 2023. 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 2022. 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 2022. 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 2022.

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 2022.

	Note	31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	115,645,824	128,506,864
Right-of-use assets		42,413,398	51,331,311
Advances for purchase of assets		644,058	413,252
		158,703,280	180,251,427
5.1 Operating fixed assets			
Opening net book value		128,506,864	137,674,169
Cost of addition	5.1.1	2,683,285	13,285,787
Less: Book value of deletion during period / year		5,696,815	8,442,729
Less: Depreciation for the period / year	13	9,847,510	14,010,363
Closing net book value		115,645,824	128,506,864

		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
5.1.1	Cost of addition		
	Improvement on freehold premises	219,000	5,352,208
	Improvement on leasehold premises	826,528	-
	Office furniture and fixtures	977,041	587,000
	Computers	552,481	5,536,679
	Office equipment	108,235	1,809,900
		2,683,285	13,285,787
6.	INTANGIBLE ASSETS		
	Accounting software	6.1 1,349,711	1,799,553
	Cards and rooms	-	12,000,000
	Advance for ERP implementation	3,109,255	3,109,255
		4,458,966	16,908,808
6.1	Accounting software		
	Net carrying value		
	At 01 July	1,799,553	2,699,196
	Less: Amortization charge	13 449,842	899,643
		1,349,711	1,799,553
7.	LONG TERM FINANCES		
	Considered Good	7.1 108,081,713	129,191,243
	Considered doubtful	62,535,725	63,053,882
		170,617,438	192,245,125
	Less: Allowance for expected credit losses	39,581,850	40,112,375
		131,035,588	152,132,750
	Less: Current maturity	54,939,431	44,697,642
	Less: General provision for micro finance portfolio	96,635	134,167
		75,999,522	107,300,941
7.1	CONSIDERED GOOD		
	House finance - secured	7.1.1 90,282,095	119,449,044
	Micro finance	7.1.2 17,799,618	9,742,199
		108,081,713	129,191,243

7.1.1 It represents amount disbursed to house finance customers at return rate ranging from 14.04% to 27.43% (30 June 2022: 14.04% to 22.37%) per annum for tenure of 02 to 20 years.

7.1.2 It represents amount disbursed to micro finance customers at return rate ranging from 40.50% to 51.40% (30 June 2022: 37% to 45%) per annum for tenure of 01 to 2 years.

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.

		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
9. CASH AND BANK BALANCES			
Cash in hand		1,035,015	199,224
Cash with banks:			
Current accounts with:			
State Bank of Pakistan		189,508	189,508
Others		1,234,047	36,560,453
Saving and deposit accounts	9.1	1,423,555	36,749,961
		18,254,994	79,374,636
		20,713,564	116,323,821

9.1 Rate of return on these accounts range from 12.25% to 16.20% (30 June 2022: 6.50% to 12.25%) per annum.

		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
10. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term lease liabilities		5,533,351	5,541,208
Long term security deposits		2,165,985	2,165,985
		7,699,336	7,707,193

		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
11. TRADE AND OTHER PAYABLES			
Customers' credit balances		4,447,550	4,447,550
Certificate of depositors	11.1	77,423,404	77,423,404
Accrued expenses and other payables		38,787,292	41,585,809
Payable to employees provident fund		-	1,480
		120,658,246	123,458,243

11.1 These certificates of deposit remained unpaid mainly due to non-submission of succession certificates (by legal heirs of depositors), lien created by Bahria Town and other legal issues.

12. CONTINGENCIES AND COMMITMENTS

12.1 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 2022.

		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
12.2 Commitments			
ERP implementation agreement		3,916,292	4,071,174

	Nine months ended		Quarter ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Rupees	Rupees	Rupees	Rupees
Note	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
13. ADMINISTRATIVE EXPENSES				
Salaries, allowance and other benefits	67,553,762	65,533,541	23,708,505	21,771,093
Staff training and welfare	-	7,500	-	-
Advertisement and business promotion	245,700	87,000	34,100	-
Rent, rates and taxes	4,026,500	646,849	421,000	275,984
Utilities	3,455,548	4,484,292	536,452	1,133,880
Communication charges	2,029,709	3,056,904	506,518	1,390,108
Travelling and vehicle maintenance	1,438,025	3,040,820	430,305	828,727
Repair and maintenance	2,926,757	2,805,066	1,081,034	1,077,519
Entertainment	749,402	787,060	257,776	259,746
Fee and subscriptions	2,357,814	2,743,292	726,658	1,440,424
Legal and professional charges	6,965,041	13,778,232	3,091,350	4,031,134
Printing and stationery	1,403,303	1,587,118	257,581	463,166
Insurance	2,413,844	2,598,316	905,095	693,488
Depreciation on property and equipment	9,847,510	10,519,095	3,252,107	3,434,343
Depreciation on right of use assets	6,412,797	6,062,200	1,994,451	2,209,173
Amortization on intangible assets	449,842	674,730	149,948	224,910
	112,275,554	118,412,015	37,352,880	39,233,695
14. PROVISION AGAINST DOUBTFUL FINANCES & WRITE OFFS - NET				
Provision against financing - specific - net	1,618,933	11,399,025	640,676	515,286
Provision against financing - general	92,230	153,067	(2,473)	16,753
Write offs	-	26,825	-	-
	1,711,163	11,578,917	638,203	532,039

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.

	Nine months ended 31 March 2023 (Un-audited)				Rupees
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	17,653,087	32,154,241	-	-	49,807,328
Income from fee and commission	-	4,268,424	-	-	4,268,424
Return on investments	-	-	-	20,055,792	20,055,792
Other income - net	423,994	683,350	-	-	1,107,344
Total income for reportable segments	18,077,081	37,106,015	-	20,055,792	75,238,888
Finance costs	109,602	3,256,780	2,491	195,718	3,564,591
Administrative expenses	36,896,549	66,586,398	725,995	8,066,612	112,275,554
Provision against doubtful finances & Write offs - Net	-	1,711,163	-	-	1,711,163
Segment result	(18,929,070)	(34,448,326)	(728,486)	11,793,462	(42,312,420)
Other income - unallocated					3,251,740
Loss before taxation					(39,060,680)

	As at 31 March 2023 (Un-audited)				(Rupees)
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	130,442,116	203,730,739	2,165,985	156,867,351	493,206,191
Unallocated assets					297,562,685
					<u>790,768,876</u>
Segment liabilities	1,885,238	52,931,037	12,130	953,033	55,781,438
Unallocated liabilities					131,737,835
Equity					603,249,603
					<u>790,768,876</u>

Nine months ended 31 March 2022 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	20,083,238	22,693,483	-	-	42,776,721
Income from fee and commission	48,761	2,713,050	-	-	2,761,811
Return on investments	-	-	-	11,319,219	11,319,219
Other income	-	172,984	-	-	172,984
Total income for reportable segments	20,131,999	25,579,517	-	11,319,219	57,030,735
Finance costs	31,239	3,506,567	-	43,625	3,581,431
Administrative expenses	41,999,979	70,855,708	-	5,556,328	118,412,015
Provision against doubtful finances & Write offs - Net	-	11,578,917	-	-	11,578,917
Segment result	(21,899,219)	(60,361,675)	-	5,719,266	(76,541,628)
Other income - net					24,726,729
Loss before taxation					<u>(51,814,899)</u>

As at 30 June 2022(Audited)

(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	139,348,536	167,952,733	2,165,985	83,252,100	392,719,354
Cash and bank balances					116,323,821
Unallocated assets					330,847,738
					<u>839,890,913</u>
Segment liabilities	2,650,712	69,479,673	2,165,985	983,356	75,279,726
Unallocated liabilities					121,355,193
Equity					643,255,994
					<u>839,890,913</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:

Relationship	Nature of transaction	Nine month ended	
		31-Mar-23 Rupees (Un-audited)	31-Mar-22 Rupees (Un-Audited)
Transactions during the period			
Holding Company			
	Utilities and maintenance expense paid	363,704	2,783,126
	Rent expense	3,000,000	-
	Utilities expense	387,609	2,676,285
Associated Companies			
	Bahria Grand Hotel and Resort		
	Entertainment expense	11,600	33,538
	Payment of entertainment expense	-	41,588
	The Safari Club		
	Entertainment expense	-	6,000
	Payment of entertainment expense	-	6,000
Executives	Remuneration to key management personnel	15,502,452	11,580,967
	Sale of Vehicle	-	1,938,387
Others	Contribution to staff retirement benefits plan	1,603,945	1,895,647
		31-Mar-23 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
Outstanding Balance at period / year end			
Holding Company			
	Trade and other payables	316,154	322,705
	Other receivable	836,550	836,550
	Security deposit against branches	7,627,674	10,627,674
Associated Companies			
	Other Associated Companies		
	Entertainment expense	11,600	-
	Employees provident fund	-	1,490

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 2022.

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 2022.

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 28 April, 2023.

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



DIRECTOR



Chief Financial Officer



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