



**ESCORTS INVESTMENT BANK LIMITED**

**QUARTERLY REPORT  
MARCH 31, 2004**



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## CORPORATE INFORMATION

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### **BOARD OF DIRECTORS**

Chairman	Bashir Ahmed
President & Chief Executive Directors	Rashid Mansur Abdul Latif Uqaili (nominee Investment Corporation of Pakistan) Bairam Qureshy Darakhshan Bashir Farrukh Ahmad Kamran Motahir Ahmed Shazia Bashir Syed Asad Ali Shah Qaim Mehdi Tajamul H. Bokharee (nominee National Bank of Pakistan)
Company Secretary	Farooq Hameed Khawaja

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### **AUDIT COMMITTEE**

Chairman	Bashir Ahmed
Members	Abdul Latif Uqaili Syed Asad Ali Shah
Secretary	Arsalan Baig

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### **EXECUTIVE MANAGEMENT**

President & Chief Executive	Rashid Mansur
Chief Operating Officer	Muhammad Naeem Khan
Executive Director	Shazia Bashir
Chief Financial Officer	Farooq Hameed Khawaja
Head of Capital Markets Division	Rehmat Ali Hasnie
Head of Treasury Division	Arshad I. Khan
Head of Marketing & Credits Division	Saqib Ahmed Khan
Head of Internal Audit Division	Arsalan Baig

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Auditors	Ebrahim & Co. Chartered Accountants
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Legal Advisors	Mandviwalla & Zafar Advocates and Legal Consultants
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Tax Consultants	KPMG Taseer Hadi Khalid & Co. Chartered Accountants
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Share Registrars	Hameed Majeed Associates (Pvt) Ltd
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Bankers	PICIC Commercial Bank Limited Muslim Commercial Bank Limited The Bank of Khyber Limited Union Bank Limited
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Head Office & Lahore Branch	Escorts House 26 – Davis Road, Lahore Tel: (042) 637 1931-34 Fax: (042) 637 5950 Email: mailmanager@escortsbank.net Web site: www.escortsbank.net
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Branch Offices	<u>Karachi Office</u> Ground Floor, Bharia Complex I Moulvi Tamizzudin Khan Road Tel: (021) 561 0448, 561 1221 Fax: (021) 561 0538 Email: karachi@escortsbank.net
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	<u>Islamabad Office</u> 15 – E, Mezzanine Floor Rehmat Center, Blue Area Tel: (051) 287 4601- 03 Fax: (051) 287 4604 Email: islamabad@escortsbank.net
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Investment Services Centers	Ground Floor State Life Building 15-A, Davis Road, Lahore Tel: (042) 630 0757, 630 0758 Fax: (042) 630 0816  Room No. M-6, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: (042) 630 7163-68 Fax: (042) 630 7168  Room No. 53, 53-A, Karachi Stock Exchange Building, Stock Exchange Road, Karachi. Tel: (021) 561 1382
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## CHIEF EXECUTIVE'S REVIEW

### *An Eye On The Future!*

#### ***Our Strategy moves on...***

I am once again very pleased to update you on the performance of Escorts Investment Bank Ltd. during the Quarter January ~ March 2004. It is a matter of great satisfaction, that we have been able to sustain the pattern of all-round growth that has now become the hallmark of our Five Year Business Plan - *Escorts Beyond 2001*.

All Activity Areas of the Bank made progress, either in pure financial terms or in terms of their contribution towards achievement of the broad strategic goals of our Business Plan.

I am delighted to share with you the reflection of this progress in the Financial Highlights appended below:

#### **Financial Highlights (As at March 31, 2004)**

Rupees in Million

Sr.#	Description	Jul. – Mar. 2004	Jul. – Mar. 2003	Growth	Growth %
1	Profit Before Tax	68	62	6	10
2	Profit After Tax	61	50	11	22
3	Certificates of Deposit	832	744	88	12
4	Morabaha Financing	421	360	61	17
5	Total Assets	2,223	1,915	308	16
6	Return on Average Equity (% per annum)	28.71	27.26	1.45	5.32
7	Earnings Per Share (9 months) Rs.	3.05	2.50	0.55	22

#### ***Other Highlights***

- The most significant progress achieved during the Quarter under review is towards broadening of our range of products and services. This has diversified our revenue streams and reduced future volatility in profitability. As these services grow Escorts Bank will be well placed to declare consistent, stable and growing returns. The long term positive implications of this diversifications strategy will become visible shortly.



- Our newly established *Investment Services Center* (ISC) at the ground floor of the State Life Building at Davis Road Lahore has now become fully operational and is already catering to the investment needs of a large number of satisfied customers – both institutional and individual.
- Our newly acquired Corporate Membership of Karachi Stock Exchange (KSE) has been activated in our premises on the first floor of the KSE Building.
- With the above two developments we now have two active ISCs at Lahore and one each at Karachi and Islamabad.
- Substantial progress has been achieved towards integrating and strengthening the IT based Accounting and Management Information Systems.
- The high quality of Assets has been maintained and the Internal Control Systems have been further augmented.

While concluding I would like to place on record my sincere gratitude to the Board of Directors for their guidance; to all the members of my team for their unrelenting dedication and high level of professionalism; to our customers for their loyalty and support and finally the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan for their commitment to the process of Financial Sector and Capital Markets Reforms.

I look forward to sharing with you, many more positive reviews for the periods to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Rashid Mansur", with a stylized flourish at the end.

Rashid Mansur  
President & CEO

April 28, 2004  
Lahore.



## BALANCE SHEET AS AT MARCH 31, 2004

	Note	Un-audited March 31, 2004 Rupees	Audited June 30, 2003 Rupees
<b>Assets</b>			
Cash and bank balances		308,088,992	68,446,192
Placements		312,093,425	323,093,425
Investments	4	908,801,253	1,104,770,424
Morabaha financing		420,724,872	375,653,895
Advances, deposits, prepayments and other receivables		208,503,333	134,489,582
Membership cards		43,290,000	7,170,000
Operating fixed assets	5	21,622,558	13,207,575
		<b>2,223,124,433</b>	<b>2,026,831,093</b>
<b>Liabilities</b>			
Borrowings from financial institutions		724,000,000	777,900,000
Certificates of investments		832,375,619	692,667,583
Subordinated loan		12,520,341	84,030,171
Liabilities against assets subject to finance lease		1,800,204	3,235,381
Creditors, accrued and other liabilities		135,899,580	18,831,898
Provision for taxation	6	43,762,083	36,262,083
Dividends		70,504	30,045,002
Deferred tax liability		21,689,500	49,932,547
		<b>1,772,117,831</b>	<b>1,692,904,665</b>
<b>Net assets</b>		<b>451,006,602</b>	<b>333,926,428</b>
<b>Represented by</b>			
Share capital		200,000,000	200,000,000
Share deposit money		100,000,000	—
Reserves		34,819,201	22,638,911
Unappropriated profit		67,276,803	18,555,643
		<b>402,096,004</b>	<b>241,194,554</b>
Surplus on revaluation of securities	7	48,910,598	92,731,874
		<b>451,006,602</b>	<b>333,926,428</b>
<b>Contingencies and commitments</b>	8		

The annexed notes form an integral part of these accounts.

**Rashid Mansur**  
Chief Executive

**Shazia Bashir**  
Director



**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2004**

	<b>Jan – Mar 2004 Rupees</b>	<b>Jan – Mar 2003 Rupees</b>	<b>Jul – 03 Mar – 04 Rupees</b>	<b>Jul – 02 Mar – 03 Rupees</b>
<b>INCOME</b>				
Profit on morabaha financing	10,748,397	12,616,734	31,254,555	26,212,470
Profit on placements	3,365,404	11,740,913	12,257,800	30,876,245
Return on investments	14,463,295	22,307,771	65,066,534	55,486,130
Gain on repurchase transactions	8,697,858	5,444,352	21,838,571	12,086,660
Profit on sale of investments	13,850,956	5,052,590	34,224,954	54,104,982
Profit on bank deposits	378,336	1,066,165	1,368,477	6,585,715
Fees and commission	4,914,191	329,832	13,481,179	1,251,518
Other Income	450,265	25,266	518,932	83,811
	<b>56,868,702</b>	<b>58,583,623</b>	<b>180,011,002</b>	<b>186,687,531</b>
<b>EXPENDITURE</b>				
Cost/return on deposits, borrowings etc.	19,088,334	29,622,384	62,573,120	91,932,580
Administrative and other operating expenses	16,858,773	9,950,643	44,766,347	29,939,202
Financial charges	1,625,028	1,280,470	4,270,085	2,892,582
	<b>37,572,135</b>	<b>40,853,497</b>	<b>111,609,552</b>	<b>124,764,364</b>
<b>OPERATING PROFIT BEFORE TAXATION</b>	<b>19,296,567</b>	<b>17,730,126</b>	<b>68,401,450</b>	<b>61,923,167</b>
<b>PROVISION FOR TAXATION</b>	<b>500,000</b>	<b>1,500,000</b>	<b>7,500,000</b>	<b>12,000,000</b>
<b>PROFIT AFTER TAXATION</b>	<b>18,796,567</b>	<b>16,230,126</b>	<b>60,901,450</b>	<b>49,923,167</b>
<b>UNAPPROPRIATED PROFIT BROUGHT FORWARD</b>	<b>52,239,549</b>	<b>29,460,390</b>	<b>18,555,643</b>	<b>2,505,957</b>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>71,036,116</b>	<b>45,690,516</b>	<b>79,457,093</b>	<b>52,429,124</b>
<b>APPROPRIATIONS</b>				
Transferred to statutory reserve	3,759,313	3,246,025	12,180,290	9,984,633
<b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b>	<b>67,276,803</b>	<b>42,444,491</b>	<b>67,276,803</b>	<b>42,444,491</b>
<b>EARNINGS PER SHARE</b>	<b>9</b>	<b>0.81</b>	<b>3.05</b>	<b>2.50</b>

The annexed notes form an integral part of these accounts.

**Rashid Mansur**  
Chief Executive

**Shazia Bashir**  
Director





**CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PEIROD ENDED MARCH 31, 2004**

	Jul 03 – Mar 04 Rupees	Jul 02 – Mar 03 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	68,401,450	61,923,167
Adjustments for non cash charges		
Depreciation	3,660,669	2,040,876
Loss on sale of fixed assets	–	9,550
(Gain) on sale of fixed assets	(303,599)	–
Fixed assets written off	45,815	–
	<b>3,402,885</b>	<b>2,050,426</b>
<b>Decrease/(Increase) in operating assets</b>		
Advances, deposits, prepayments and other receivables	(60,934,044)	3,260,193
Morabaha financing	(45,070,977)	(153,023,393)
Placements (net)	11,000,000	(70,870,000)
	<b>(95,005,021)</b>	<b>(220,633,200)</b>
<b>(Decrease)/Increase in operating liabilities</b>		
Certificates of investment	139,708,036	12,018,126
Borrowings from financial institutions	(53,900,000)	85,000,000
Creditors, accrued and other liabilities	117,067,682	10,292,111
	<b>202,875,718</b>	<b>107,310,237</b>
	<b>179,675,032</b>	<b>(49,349,370)</b>
Income tax paid	(13,079,707)	(19,334,632)
Net cash inflow/(outflow) from operating activities	<b>166,595,325</b>	<b>(68,684,002)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to fixed assets	(12,237,869)	(2,828,862)
Proceeds from sale of assets	420,000	3,500
Purchase of membership card	(36,120,000)	(7,000,000)
Received against right shares	28,490,170	–
Investments	123,904,849	(30,454,554)
Net cash inflow(outflow) from investing activities	<b>104,457,150</b>	<b>(40,279,916)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease obligation under finance leases	(1,435,177)	(1,420,773)
Dividend paid	(29,974,498)	(11,885,012)
Net cash outflow from financing activities	(31,409,675)	(13,305,785)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>239,642,800</b>	<b>(122,269,703)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>68,446,192</b>	<b>143,297,475</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>308,088,992</b>	<b>21,027,772</b>

The annexed notes form an integral part of these accounts.

**Rashid Mansur**  
Chief Executive

**Shazia Bashir**  
Director



**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2004**

	<b>Issued subscribed and paidup Capital</b>	<b>Share deposit money</b>	<b>Statutory reserve</b>	<b>Un- appropriated profit</b>	<b>Total</b>
<b>Amounts in Rupees</b>					
Balance as at July 01, 2002	200,000,000	–	11,126,490	2,505,957	213,632,447
Profit after taxation from July 01, 2002 to March 31, 2003	–	–	–	49,923,167	49,923,167
Transfer to statutory reserve	–	–	9,984,633	(9,984,633)	–
Balance as at March 31, 2003	200,000,000	–	21,111,123	42,444,491	263,555,614
Profit after taxation from April 01, 2003 to June 30, 2003	–	–	–	7,638,940	7,638,940
Proposed Dividend	–	–	–	(30,000,000)	(30,000,000)
Transfer to statutory reserve	–	–	1,527,788	(1,527,788)	–
Balance as at June 30, 2003	200,000,000	–	22,638,911	18,555,643	241,194,554
Profit after taxation from July 01, 2003 to March 31, 2004	–	–	–	60,901,450	60,901,450
Received against right shares		100,000,000	–	–	100,000,000
Transfer to statutory reserve	–	–	12,180,290	(12,180,290)	–
Balance as at March 31, 2004	<u>200,000,000</u>	<u>100,000,000</u>	<u>34,819,201</u>	<u>67,276,803</u>	<u>402,096,004</u>

The annexed notes form an integral part of these accounts.

**Rashid Mansur**  
Chief Executive

**Shazia Bashir**  
Director



## **NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2004**

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

Escorts Investment Bank Limited is a public limited company and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company was incorporated in Pakistan on May 15, 1995 and started its commercial operation on October 16, 1996. The registered office of the company is situated at Escorts House, 26 Davis Road, Lahore. The Company is member of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited.

Escorts investment Bank Limited is licensed to carry out all investment finance activities as a Non-Banking Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (previously it was licensed to carry out all investment finance activities described under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance).

### **2 STATEMENT OF COMPLIANCE**

These un-audited financial statements are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984, and have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.

### **3 ACCOUNTING POLICIES**

- 3.1** The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those published in annual financial statements for the year ended June 30, 2003.
- 3.2** The Company continues to enter into transactions with related parties at prices determined on an arm's length basis using the comparable uncontrolled price method.



	Un-audited March 31, 2004 Rupees	Audited June 30, 2003 Rupees
<b>4 INVESTMENTS</b>		
<b>Available for sale</b>		
Term Finance Certificates	164,033,998	123,244,881
Surplus on revaluation of securities	7,146,570	11,282,027
	<b>171,180,568</b>	134,526,908
 Pakistan Investment Bonds	<b>209,950,000</b>	632,446,900
Surplus on revaluation of securities	<b>61,970,000</b>	129,252,100
	<b>271,920,000</b>	761,699,000
 Pakistan Income fund	<b>30,000,000</b>	—
 WAPDA Bonds	—	50,000,000
Surplus on revaluation of securities	—	2,250,000
	—	52,250,000
 Investment in listed shares	<b>423,217,157</b>	135,414,222
Surplus/(Deficit) on revaluation of shares	<b>1,483,528</b>	(119,706)
	<b>424,700,685</b>	135,294,516
	<b>897,801,253</b>	1,083,770,424
<b>Held to maturity</b>		
Musharika investment	<b>11,000,000</b>	21,000,000
	<b>908,801,253</b>	1,104,770,424



## 5 OPERATING FIXED ASSETS

(Amounts in Rupees)

PARTICULARS	COST				DEPRECIATION			Written down Value 31-Mar-04	Depreciation for the Period	Rate %
	As at 01-Jul-03	Additions	Adjustments / Disposals	As at 31-Mar-04	As at 01-Jul-03	Adjustments	As at 31-Mar-04			
<b>Owened Assets</b>										
Leasehold Improvements	4,480,462	2,112,206	(100,700)	6,491,968	2,529,342	(59,453)	3,073,201	3,418,767	603,312	20
Office furniture and fixtures	2,806,067	847,094	(6,635)	3,646,526	666,973	(2,067)	888,528	2,757,999	223,622	10
Computer Equipments	2,392,244	1,811,878	—	4,204,122	1,117,512	—	1,889,087	2,315,035	771,575	33.33
Office Equipments	2,053,086	1,650,861	—	3,703,947	813,586	—	1,030,363	2,673,584	216,777	10
Vehicles	7,936,892	5,815,830	(693,800)	13,058,922	4,998,158	(577,399)	5,716,483	7,342,439	1,295,724	20
	<b>19,668,751</b>	<b>12,237,869</b>	<b>(801,135)</b>	<b>31,105,485</b>	<b>10,125,571</b>	<b>(638,919)</b>	<b>12,597,662</b>	<b>18,507,823</b>	<b>3,111,010</b>	
<b>Leased Assets</b>										
Vehicles	6,198,815	—	—	6,198,815	2,534,421	—	3,084,080	3,114,735	549,659	20
<b>Total Rupees March 31, 2004 (Un-audited)</b>	<b>25,867,566</b>	<b>12,237,869</b>	<b>(801,135)</b>	<b>37,304,300</b>	<b>12,659,992</b>	<b>(638,919)</b>	<b>15,681,742</b>	<b>21,622,558</b>	<b>3,660,669</b>	
Total Rupees June 30, 2003 (Audited)	23,539,989	6,105,272	(3,777,695)	25,867,566	10,141,935	(633,176)	12,659,991	13,207,575	3,151,232	

### 5.1 The following asset was disposed off during the period

(Amounts in Rupees)

Particulars	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Mode of Disposal	Particulars of Purchaser
Owened Assets						
Vehicle – Honda Civic	693,800	577,399	116,401	420,000	By negotiation	Saqib Mehmood Mughal



## 6 PROVISION FOR TAXATION

### 6.1 Tax rate

The Company has used income tax rates applicable to listed companies (other than banking companies) in computing the tax liabilities for the assessment years up to 2003-2004.

In the initial assessments made by Deputy Commissioner of Income Tax (DCIT), the rates applicable to banking companies had been used for the assessment years 1997-98 to 2000-2001, for which Company had filed appeals with the Commissioner of Income Tax (Appeals).

Commissioner of Income Tax (Appeals) directed the DCIT to apply the rates applicable to listed companies for the assessment years 1997-98, 1998-99 and 1999-2000 against which the department preferred appeals before Income Tax Appellate Tribunal (ITAT). ITAT has rejected these appeals against which Income Tax Department has filed a reference application before the ITAT, who have referred the case to the Honorable Lahore High Court for their authoritative resolution. The management is confident that the outcome of the case will be in their favour.

### 6.2 Taxability of dividend income

The ITAT has referred the matter of taxability of dividend income as separate block of income instead of business income for assessment years 1997-1998 and 1998-1999 to the Honourable Lahore High Court for their authoritative resolution. The management is confident that the outcome of the case will be decided in their favour.

### 6.3 Withholding tax

In the assessments for the assessment years 1999-2000 and 2000-2001 no disallowances were made by the DCIT on the issue for non deduction of tax on return on inter-bank deposits, on the grounds that Company has been assigned the status of a banking company. This treatment, however, is subject to the decision of an appeal filed by the department in the Honourable Lahore High Court against the decision of ITAT on the same issue for previous assessment years (see 6.1 above). The management is of the opinion that these amounts are clean borrowings from the banks/NBFCs and not deposits and, therefore, withholding tax provisions do not apply.

### 6.4 Pending appeals

Appeals for the assessment years 1999-2000 and 2000-2001 are pending before the Commissioner of the Income Tax (Appeals).

Un-audited	Audited
March 31, 2004	June 30, 2003
Rupees	Rupees

## 7 SURPLUS ON REVALUATION OF SECURITIES

Government securities	(Note 4)	<b>61,970,000</b>	131,502,100
Term finance certificates	(Note 4)	<b>7,146,570</b>	11,282,027
Shares of listed companies	(Note 4)	<b>1,483,528</b>	(119,706)
		<b>70,600,098</b>	142,664,421
Less: Related deferred tax liability			
Prior year		<b>—</b>	6,600,503
Current period		<b>21,689,500</b>	43,332,044
		<b>21,689,500</b>	49,932,547
		<b>48,910,598</b>	92,731,874



## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 CONTINGENCIES

#### a) Guarantees

Outstanding guarantees as on balance sheet date were Rs. 160.731 million (June 2003: Rs. 75.561 million).

#### b) Taxation

In the event of unfavourable decisions in pending tax matters detailed in Note: 6, the Company would be faced with maximum tax liability of Rs. 8.619 million (2003: Rs. 8.619 million) and maximum charge against profits in respect of provisions not made amounting to Rs. 27.071 million (2003: Rs. 27.071 million).

#### c) Taxability of dividend income

The ITAT has referred the matter of taxability of dividend income as separate block of income instead of business income for assessment years 1997-1998 and 1998-1999 to the Honourable Lahore High Court for their authoritative resolution. The management is confident that the outcome of the case will be decided in their favour.

### 8.2 Commitments

	<b>Un-audited March 31, 2004 Rupees</b>	<b>Audited June 30, 2003 Rupees</b>
Forward sale contracts	-	50,000,000
Forward purchase contracts	<b>50,000,000</b>	-

## 9 EARNINGS PER SHARE

	<b>Jul – 2003 Mar– 2004 Rupees</b>	<b>Jul – 2002 Mar– 2003 Rupees</b>
Profit for the period after taxation	<b>60,901,450</b>	49,923,167
Average issued ordinary shares	<b>20,000,000</b>	20,000,000
Earnings per share (9 months)	<b>3.05</b>	2.50



## 10 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, local associated companies, 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 terms of employment are as follows:

	<b>Un-audited Jul – 2003 Mar– 2004 Rupees</b>	<b>Un-audited Jul – 2002 Mar– 2003 Rupees</b>
<b>Transactions during the period</b>		
Return on morabaha financing received	<b>1,061,195</b>	2,712,328
Guarantee commission earned	<b>487,950</b>	284,288
Profit paid on Certificates of Investment	<b>5,559,520</b>	3,984,618
Markup on subordinated debt	<b>4,806,985</b>	8,831,223
Contribution to staff retirement benefits plan	<b>971,920</b>	647,170
	<b>Un-audited March 31, 2004 Rupees</b>	<b>Audited June 30, 2003 Rupees</b>
<b>Balance at period end</b>		
Morabaha financing	<b>9,863,276</b>	23,306,406
Letters of guarantee	<b>78,964,000</b>	25,024,000
Certificates of Investment	<b>122,404,002</b>	70,469,631
Subordinated debt	<b>12,520,341</b>	84,030,171

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices determined using the comparable uncontrolled price method as relevant to the transactions.

## 11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 28, 2004 by the Board of Directors of the Company.

## 12 GENERAL

12.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

12.2 Corresponding figures have been rearranged wherever necessary for the purpose of comparison.

**Rashid Mansur**  
Chief Executive

**Shazia Bashir**  
Director



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**ESCORTS INVESTMENT BANK LIMITED**

**Escorts House**

**26-Davis Road, Lahore**

**Tel : 042-6371931-4**

**Fax : 042-6375950**

**E-Mail : [mailmanager@escortsbank.net](mailto:mailmanager@escortsbank.net)**