



# FINANCIAL STATEMENTS

31 March 2011

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# Corporate Information

## BOARD OF DIRECTORS

### Chairman

Bairam Qureishy

### President & Chief Executive Officer

Shazia Bashir

### Directors

Kamran Hafeez

Mutahir Ahmed

Tajamul Hussain Bokharee

Muhammad Anum Saleem

Zulfiqar A. Khan

### Company Secretary

Muhammad Anum Saleem

## EXECUTIVE MANAGEMENT

### President & Chief Executive Officer

Shazia Bashir

### Chief Financial Officer / Head of Advisory Services

Kamran Hafeez

### Company Secretary / Head of Corporate & Legal Affairs

Muhammad Anum Saleem

### Head of Branch Network

Azmat Baig

### Head of Proprietary Investments

Hassan Abid Zaidi

## AUDIT COMMITTEE

### Chairman

Bairam Qureishy

### Members

Tajamul Hussain Bokharee

Zulfiqar A. Khan

### Secretary

Muhammad Anum Saleem

## Internal Auditors

Nasir Javaid Maqsood Imran

Chartered Accountants

## External Auditors

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

## Legal Advisors

Lexium Attorneys at Law

## Tax Consultants

KPMG Taseer Hadi & Co.

Chartered Accountants

## Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

## Bankers

Bank Alfalah Limited

Bank Al-Habib Limited

MCB Bank Limited

NIB Bank Limited

## NETWORK

### Head Office & Lahore Branch

Escorts House

26 - Davis Road, Lahore

Tel: (042) 3637 1931 -34

Fax: (042) 3637 5950

mailmanager@escortsbank.net

www.escortsbank.net

### Branch Offices

#### Karachi Office

Room No. 631, 632

Stock Exchange Building,

Stock Exchange Road, Karachi

Tel: (021) 33247 1671 - 75

Fax: (021) 3247 2374

Email: mailmanager@escortsbank.net

#### Islamabad Office

Shalimar-5/1,

Ataturk Avenue, Islamabad

Tel: (051) 2270079

Email: mailmanager@escortsbank.net

## Directors' Report

The Board of Directors of Escorts Investment Bank Limited (the "Bank") is pleased to present before you the unaudited condensed interim financial information for the quarter ended March 31, 2011.

It gives the Board immense pleasure to report that during the period under review, total income of your Bank increased to Rs. 62.8 million as compared to Rs. 36.3 million in the corresponding period, thereby reflecting an increase of Rs. 26.5 million i.e. 73%. This increase is primarily attributable to return on placements of Rs. 16.5 million, which was nil in the corresponding period of the preceding year. Also, the profit on financing and return on investments in the quarter under review have shown significant increases of 60% and 21% respectively as compared to the quarter ended March 31, 2010.

The increase in total expenses however, is not in line with the increase in the total income. Expenses have increased only by 2% in relation to the 73% increase in the total income. This non- corresponding increase in expenses has translated into loss before tax of only Rs. 1.03 million in the quarter under review, as compared to the loss before tax of Rs. 29.6 million for the quarter ended March 31, 2010. This implies a 96.6% reduction of loss which is a result of efficient application of funds, control on administrative and other operating expenses, effective risk management and investment strategy. The administrative and other operating expenses during the period under review have reduced to Rs. 13.6 million as compared to Rs. 22.6 million in the corresponding period. Such reduction in administrative and other operating expenses has been achieved without compromising the operational capacity of the Bank.

The total assets of the Bank have increased from Rs. 1.81 billion as on March 31, 2010 to Rs. 2.41 billion on March 31, 2011 reflecting an increase of 33%. The Board of Directors believe that the trend of improving efficiencies and value addition by the management and competent staff members, innovation in products and diversification in income streams shall continue post their positive financial impact.

### Acknowledgement

The Board would like to take this opportunity to express its admiration to the employees of the Bank for their commitment, hard work and co-operation throughout the years. The Board also wishes to place on record its gratitude to Securities and Exchange Commission of Pakistan for their valued support, assistance and guidance.

For and on behalf of the Board



**Shazia Bashir**  
President and Chief Executive Officer  
Lahore: April 22, 2011



Director

# Condensed Interim Balance Sheet

As at 31 March 2011

	Note	31-Mar-11 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets		82,062,212	90,657,797
Cards and rooms		33,450,000	33,450,000
Long term investment in subsidiary company		175,004,000	175,004,000
Long term investments	5	519,585,530	530,943,335
Long term finances		22,676,139	61,397,756
Net investment in lease finance		1,982,823	5,777,635
Long term loans and advances		1,334,846	703,438
Long term deposits and prepayments		3,672,395	711,200
Deferred tax asset		76,475,389	76,475,390
		916,243,334	975,120,551
<b>Current Assets</b>			
Current maturity of non-current assets		156,251,499	89,738,002
Short term investments	6	29,824,542	54,876,119
Short term finances		166,399,442	125,771,994
Short term placements		778,103,644	200,000,000
Advances, deposits, prepayments and other receivables		325,725,573	370,017,202
Cash and bank balances		44,276,531	9,493,983
		1,500,581,231	849,897,300
		2,416,824,565	1,825,017,851
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		441,000,000	441,000,000
Reserves		52,425,777	76,973,146
		493,425,777	517,973,146
(Deficit)/Surplus on Revaluation of Investments	7	(798,520)	6,823,878
<b>Non-Current Liabilities</b>			
Term finance certificates		-	163,909,862
Long term certificates of deposit		118,257,710	255,913,312
Long term security deposit		1,440,315	3,917,900
<b>Current Liabilities</b>			
Current maturity of non-current liabilities		313,049,648	189,860,548
Short term borrowings	8	826,204,979	304,763,104
Short term certificates of deposit		421,848,576	313,469,222
Trade and other payables	9	211,117,090	38,971,350
Provision for taxation		32,278,990	29,415,529
		1,804,499,283	876,479,753
Contingencies and Commitments	10	-	-
		2,416,824,565	1,825,017,851

The annexed notes from 1 to 16 form an integral part of this interim financial information.



Chief Executive Officer



Director

# Condensed Interim Profit and Loss Account

## For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	Note	Three months ended		Nine months Ended	
		31-Mar-11 Rupees	31-Mar-10 Rupees	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>INCOME</b>					
Profit on financing		18,033,237	11,209,749	47,235,657	39,065,240
Mark-up on lease finance		191,262	601,572	1,220,321	2,006,107
Return on placements		16,556,526	-	48,201,314	4,222,927
Return on investments	11	27,142,874	22,469,104	77,060,459	105,128,454
Fees and Commission		-	-	4,000,000	-
Other income		955,071	2,096,161	3,551,611	5,027,725
		62,878,970	36,376,586	181,269,362	155,450,453
<b>EXPENSES</b>					
Return on certificates of deposit		22,280,055	16,642,979	62,649,033	46,756,276
Return on term finance certificates		9,138,384	15,269,621	30,557,996	50,086,613
Mark-up on short term running finance		156,782	2,155	1,684,647	91,245
Mark-up on borrowings from financial institutions		15,815,128	8,356,668	49,692,157	23,542,419
Amortization of premium on held to maturity investments		3,301,086	3,054,549	9,903,260	9,163,648
Administrative and other operating expenses	12	13,630,807	22,607,491	48,406,444	70,097,881
Impairment on available for sale investment		-	-	412,303	-
Other financial charges		35,743	60,733	95,346	217,759
		64,357,985	65,994,196	203,401,186	199,955,841
<b>Operating loss before Provisions and taxation</b>		(1,479,015)	(29,617,610)	(22,131,824)	(44,505,388)
Provision for doubtful financing - reversed		447,914	-	447,914	3,356,546
Operating loss before taxation		(1,031,101)	(29,617,610)	(21,683,910)	(41,148,842)
Taxation		(1,255,974)	-	(2,863,459)	-
<b>Loss after taxation</b>		(2,287,075)	(29,617,610)	(24,547,369)	(41,148,842)
Other comprehensive income - net of tax		-	-	-	-
<b>Total comprehensive loss - net of tax</b>		(2,287,075)	(29,617,610)	(24,547,369)	(41,148,842)
(Loss)/Earnings per share-basic and diluted		(0.05)	(0.67)	(0.56)	(0.93)

The annexed notes from 1 to 16 form an integral part of this interim financial information.



Chief Executive Officer



Director

# Condensed Interim Cash Flow Statement

For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>Cash flow from operating activities</b>		
<b>Loss before taxation</b>	(21,683,910)	(41,148,842)
<b>Adjustment for non cash expenses and other items:</b>		
Dividend income	(41,961,363)	(4,548,753)
Depreciation on tangible assets	8,599,077	11,508,166
Provision for doubtful financing - reversed	(447,914)	(3,356,546)
Amortization of discount on Government Treasury Bills	-	1,449,662
Amortization of premium on held to maturity investments	9,903,260	9,163,648
Amortization of issuance cost of listed TFCs	1,179,972	1,179,972
Gain on sale of fixed assets	(1,098,093)	(2,266,395)
Impairment loss on portfolio shares	412,303	-
	(23,412,758)	13,129,754
	(45,096,668)	(28,019,088)
<b>Decrease/(increase) in operating assets</b>		
Disbursements of finances - net	(71,171,814)	(54,805,303)
Net investment in lease finance	5,237,519	8,727,234
Investment in placements - net	(578,103,644)	380,000,000
Investments - net	17,016,876	(23,489,317)
Loans and advances	(39,747,148)	(40,674,094)
Deposits and prepayments	(1,599,906)	2,285,998
	(668,368,117)	272,044,518
<b>Increase/ (decrease) in operating liabilities</b>		
Borrowings from financial institutions	521,441,875	(135,563,476)
Certificates of deposit	99,244,079	129,821,484
Trade and other payables	172,145,741	(34,071,173)
	792,831,695	(39,813,165)
<b>Net changes in operating assets and liabilities</b>	124,463,578	232,231,353
<b>Net cash generated from operating activities</b>	79,366,910	204,212,265
Taxes refund receipts	112,075,722	23,671,897
<b>Net cash generated from operating activities</b>	191,442,632	227,884,162
<b>Cash flow from investing activities</b>		
Fixed capital expenditure incurred	(657,500)	(1,395,132)
Dividend received	13,760,117	4,548,753
Proceeds from sale of fixed assets	1,752,096	4,229,645
Investment in Cards and rooms	-	(750,000)
<b>Net cash (used in) generated from investing activities</b>	14,854,713	6,633,266
<b>Cash flow from financing activities</b>		
Redemption of privately placed term finance certificates	-	(45,796,715)
Redemption of listed term finance certificates	(166,534,000)	(166,534,000)
Repayment of lease obligation	(4,980,797)	(717,821)
<b>Net cash used in financing activities</b>	(171,514,797)	(213,048,536)
<b>Net increase / (decrease) in cash and cash equivalents</b>	34,782,548	21,468,892
<b>Cash and cash equivalents at the beginning of the period</b>	9,493,983	19,478,267
<b>Cash and cash equivalents at the end of the period</b>	44,276,531	40,947,159

The annexed notes from 1 to 16 form an integral part of this interim financial information.



Chief Executive Officer



Director

## Condensed Interim Statement of Changes in Equity

For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	Share capital Rupees	Statutory reserve Rupees	Un-appropriated profit / Accumulated (loss) Rupees	Total Rupees
<b>Balance as at 01 July 2009</b>	441,000,000	154,050,085	2,353,124	597,403,209
Net Loss upto 31 March 2010	-	-	(41,148,842)	(41,148,842)
Other comprehensive income	-	-	(41,148,842)	(41,148,842)
<b>Balance as at 31 March 2010</b>	441,000,000	154,050,085	(38,795,718)	556,254,367
<b>Balance as at 01 July 2010</b>	441,000,000	154,050,085	(77,076,939)	517,973,146
Net Loss upto 31 March 2011	-	-	(24,547,369)	(24,547,369)
Other comprehensive income	-	-	(24,547,369)	(24,547,369)
<b>Balance as at 31 March 2011</b>	441,000,000	154,050,085	(101,624,308)	493,425,777

The annexed notes from 1 to 16 form an integral part of this interim financial information.



Chief Executive Officer



Director



# Condensed Interim Notes to the Financial Statements

## For the Three Months and Nine Months Ended 31 March 2011 (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 Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operations on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2008. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term credit rating of the Company as “A-” and the short-term rating as “A2” dated 18 February 2011.

### 2. BASIS OF PRESENTATION

This interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

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 financial statements for the year ended 30 June 2010.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, ‘Financial Instruments: Recognition and Measurement’ and International Accounting Standard (IAS) 40, ‘Investment Property’ through Circular No. 19 dated August 13, 2003 to Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, ‘Financial Instruments: Disclosures’ through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2010.

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)  
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations  
IFRS 8 – Operating Segments  
IAS 1 – Presentation of Financial Statements  
IAS 7 – Statement of Cash Flows  
IAS 17 – Leases  
IAS 36 – Impairment of Assets  
IAS 39 Financial Instruments: Recognition and Measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the Company.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2010.

	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>5. LONG TERM INVESTMENTS</b>		
<b>Held to maturity</b>		
Pakistan Investment Bonds	514,956,692	524,859,952
Term Finance Certificates - Unlisted	10,108,833	10,108,833
	525,065,525	534,968,785
Less: Current maturity of Term Finance Certificates	5,479,995	4,025,450
	519,585,530	530,943,335
<b>6. SHORT TERM INVESTMENTS</b>		
<b>Available for sale</b>		
Term Finance Certificates - Listed	3,269,951	4,889,673
Shares and units - Listed	26,966,894	52,719,858
Impairment Loss	(412,303)	(2,733,412)
	29,824,542	54,876,119
<b>7. SURPLUS ON REVALUATION OF INVESTMENTS</b>		
<b>Available for sale</b>		
Term finance certificates - Listed	(14,785)	(37,431)
Shares / units - Listed	(428,042)	7,217,002
	(442,827)	7,179,571
Less: Deferred tax	(355,693)	(355,693)
	(798,520)	6,823,878
<b>8. SHORT TERM BORROWINGS</b>		
<b>8.1</b> Financial institutions - Secured	826,204,979	304,763,104

These represents borrowings under repurchase agreements and carry mark-up ranging from 13.45% to 14% per annum (2010: 12.05% to 12.40% per annum) and are for a period ranging from 4 days to one month (2010: 3 days to 1 month). These are secured against Pakistan Investment Bonds.

	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>9. TRADE AND OTHER PAYABLES</b>		
Customers' credit balances	6,026,312	4,610,836
Accrued return on certificates of deposit	9,393,478	5,140,442
Accrued return on term finance certificates	1,186,255	14,713,669
Accrued mark-up on secured borrowings	3,903,199	469,667
Accrued expenses and other payables	36,379,220	8,845,190
Share settlement account	149,825,179	-
Provision for compensated absences	2,016,173	2,804,272
Unclaimed dividend	2,387,274	2,387,274
	<b>211,117,090</b>	<b>38,971,350</b>

**10. CONTINGENCIES AND COMMITMENTS****10.1 Contingencies**

There is no material change in the status since the last audited published financial statements for the year ended 30 June 2010.

	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>10.2 Commitments</b>		
Future sale contract - Purchase	254,423,010	-
Future sale contract - Shares	29,058,945	-
Capital expenditure - Intangible	-	500,000

	Three months ended		Nine months Ended	
	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	31-Mar-10 Rupees (Un-audited)	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	31-Mar-10 Rupees (Un-audited)
<b>11. RETURN ON INVESTMENTS</b>				
Mark-up / return on investments	15,239,712	15,778,876	46,891,261	47,412,348
Dividend income	38,553,804	856,425	41,961,363	4,548,753
Capital gain/(loss) on investments	(26,650,642)	5,833,803	(11,792,165)	53,167,353
	<b>27,142,874</b>	<b>22,469,104</b>	<b>77,060,459</b>	<b>105,128,454</b>

	Three months ended		Nine months Ended	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)
<b>12. ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>				
Salaries, wages, other benefits and allowances	4,666,978	7,882,184	16,640,374	27,426,148
Staff Training and Welfare	1,062	72,313	25,067	125,729
Advertisement and business promotion	40,900	660	148,251	265,747
Donation	-	-	100,170	-
Rent, rates and taxes	1,700,301	2,841,174	6,332,805	7,761,073
Utilities	438,349	504,230	1,474,991	2,136,930
Communication charges	440,933	501,492	1,213,933	1,445,758
Traveling and vehicle maintenance	1,029,357	1,656,298	5,195,322	4,640,568
Repair and maintenance	509,335	695,413	1,994,766	1,665,561
Entertainment	304,467	500,945	947,427	1,209,224
Fee and subscriptions	370,733	963,469	1,229,421	1,762,342
Legal and professional charges	412,233	1,607,735	1,397,322	4,454,730
Printing and stationery	314,265	416,779	921,199	1,143,103
Fee, brokerage and commission	32,008	26,347	73,403	84,401
Insurance	210,479	487,821	710,074	1,848,071
Amortization of issuance cost of listed TFCs	393,324	393,324	1,179,972	1,179,972
Depreciation	2,746,511	3,751,143	8,599,077	11,508,166
Penalty	-	-	60,000	88,000
Staff motor vehicle contribution and insurance	19,533	19,533	58,599	83,232
Miscellaneous expenses	39	286,631	104,271	1,269,126
	13,630,807	22,607,491	48,406,444	70,097,881

**13. TRANSACTIONS WITH RELATED PARTIES**

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

	31-Mar-11 Rupees (Un-audited)	31-Mar-10 Rupees (Un-audited)
<b>Transactions during the period</b>		
<b>Subsidiary Company:</b>		
Profit paid on certificates of deposit	305,100	5,251,670
Return on running account	4,425,288	7,486,341
Financing facility availed	50,000,000	50,000,000
Certificate of Deposit issued	72,955,044	74,580,017
Certificate of Deposit matured	22,680,454	70,926,250
Purchases of shares against hedging	7,766,964,361	-
Sales of shares against hedging	7,916,789,540	-
<b>Associated companies:</b>		
Return on finances received	3,338,806	340,468
Advisory fee	4,000,000	-
Profit paid on certificates of deposit	478,664	478,664
Chairman's secretariat expenses	2,700,000	2,700,000
Financing facility availed	2,124,000	53,073,931
Financing facility repaid	1,333,262	828,200
Letter of guarantee called	-	53,940,000

	<b>31-Mar-11 Rupees (Un-audited)</b>	31-Mar-10 Rupees (Un-audited)
<b>Directors:</b>		
Profit paid on certificates of deposit	5,068,700	11,595,480
Certificates of deposit issued	-	400,000
Financing facility availed	20,672,516	-
Financing facility repaid	320,168	-
<b>Executives:</b>		
Return on finances received	181,881	616,334
Profit paid on certificates of deposit	5,712,661	323,966
Fixed assets sold	1,202,096	1,390,244
Certificate of Deposit issued	8,600,000	16,559,362
Certificate of Deposit matured	3,660,000	17,978,702
Financing facility availed	5,524,400	2,536,357
Financing facility repaid	1,796,057	9,475,504
<b>Others:</b>		
Contribution to staff retirement benefits plan	715,462	1,112,146
	<b>31-Mar-11 Rupees (Un-audited)</b>	30-Jun-10 Rupees (Un-audited)
<b>Balance at the end of the period</b>		
<b>Subsidiary Company:</b>		
Certificates of deposit outstanding	72,955,044	22,680,454
Financing outstanding	100,000,000	50,000,000
Receivable from Subsidiary Company	44,956,399	9,139,698
Payable against purchase of shares	149,825,179	-
<b>Associated companies:</b>		
Financing outstanding	77,247,087	76,456,349
Certificates of deposit outstanding	6,095,003	6,095,003
Other receivable	4,139,145	1,871,656
<b>Directors:</b>		
Financing outstanding	20,352,348	-
Certificates of deposit outstanding	50,400,000	116,050,000
Other receivable	-	6,653,021
<b>Executives:</b>		
Financing outstanding	7,151,005	1,954,046
Certificates of deposit outstanding	57,500,000	2,560,000
Other receivable	-	78,569

**14. SEGMENTAL ANALYSIS**

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

**Financing activities**

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers.

**Investment activities**

Investment 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 2011**

	<b>Financing activities</b>	<b>Investing activities</b>	<b>Total</b>
Profit on financing	47,235,657	-	47,235,657
Mark-up on lease finance	1,220,321	-	1,220,321
Return on placements	-	48,201,314	48,201,314
Return on investments	-	77,060,459	77,060,459
<b>Total income for reportable segments</b>	48,455,978	125,261,773	173,717,751
Finance costs	43,233,474	111,761,268	154,994,742
Administrative and other operating expenses	13,502,256	34,904,188	48,406,444
Provision for doubtful financing - reversed	(447,914)	-	(447,914)
<b>Segment result</b>	<b>(7,831,838)</b>	<b>(21,403,683)</b>	<b>(29,235,521)</b>
Other operating income			7,551,611
Loss before taxation			(21,683,910)
<b>Segment assets</b>	<b>338,298,717</b>	<b>1,561,639,149</b>	<b>1,899,937,866</b>
Unallocated assets			516,886,699
			2,416,824,565
<b>Segment liabilities</b>	<b>153,743,249</b>	<b>348,283,621</b>	<b>502,026,870</b>
unallocated liabilities			1,421,371,918
Equity			493,425,777
			2,416,824,565

## Nine Months ended 31 March 2011

	Financing activities	Investing activities	Total
Profit on financing	39,065,240	-	39,065,240
Mark-up on lease finance	2,006,107	-	2,006,107
Return on placements	-	4,222,927	4,222,927
Return on investments	-	105,128,454	105,128,454
<b>Total income for reportable segments</b>	<b>41,071,347</b>	<b>109,351,381</b>	<b>150,422,728</b>
Finance costs	35,456,353	94,401,607	129,857,960
Administrative and other operating expenses	19,139,491	50,958,390	70,097,881
Provision for doubtful financing - reversed	(3,356,546)	-	(3,356,546)
<b>Segment result</b>	<b>(10,167,951)</b>	<b>(36,008,616)</b>	<b>(46,176,567)</b>
Other operating income			5,027,725
Loss before taxation			(41,148,842)
<b>Segment assets</b>	<b>244,960,513</b>	<b>960,798,438</b>	<b>1,205,758,951</b>
Unallocated assets			606,805,122
			1,812,564,073
<b>Segment liabilities</b>	<b>118,048,474</b>	<b>455,998,365</b>	<b>574,046,839</b>
unallocated liabilities			682,262,867
Equity			556,254,367
			1,812,564,073

**15. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on 22 April 2011.

**16. GENERAL**

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director

# Consolidated Financial Statements

31 March 2011





# Condensed Interim Consolidated Balance Sheet

## As at 31 March 2011

	Note	31-Mar-11 Rupees (Un-audited)	30-Jun-10 Rupees (Audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets		85,918,832	95,376,028
Cards and rooms		84,955,000	84,955,000
Long term investments	6	519,585,530	530,943,335
Long term finances		22,676,139	11,397,757
Net investment in lease finance		1,982,823	5,777,635
Long term loans and advances		1,334,846	759,438
Long term deposits and prepayments		6,017,395	5,515,200
Deferred tax asset		76,475,389	76,475,390
		798,945,954	811,199,783
<b>Current Assets</b>			
Current maturity of non-current assets		106,251,499	89,916,928
Short term investments	7	29,824,542	54,876,119
Short term finances		116,399,442	125,771,994
Short term placements		778,103,644	200,000,000
Advances, deposits, prepayments and other receivables		383,771,998	361,714,093
Cash and bank balances		59,986,137	19,507,754
		1,474,337,262	851,786,888
		2,273,283,216	1,662,986,671
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		441,000,000	441,000,000
Reserves		(117,229,414)	(74,707,678)
(Deficit)/Surplus on Revaluation of Investments	8	323,770,586 (798,520)	366,292,322 6,823,878
<b>Non-Current Liabilities</b>			
Term finance certificates		-	163,909,862
Long term certificates of deposit		118,257,710	255,913,312
Long term security deposit		1,440,315	3,917,900
<b>Current Liabilities</b>			
Current maturity of non-current liabilities		313,049,648	189,860,548
Short term borrowings	9	826,204,979	304,763,104
Short term certificates of deposit		348,893,532	290,788,768
Trade and other payables	10	310,185,976	51,301,448
Provision for taxation		32,278,990	29,415,529
		1,830,613,125	866,129,397
Contingencies and Commitments	11	-	-
		2,273,283,216	1,662,986,671

The annexed notes form 1 to 17 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

## Condensed Interim Consolidated Profit and Loss Account

### For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	Note	Three months ended		Nine months Ended	
		31-Mar-11 Rupees	31-Mar-10 Rupees	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>INCOME</b>					
Profit on financing		12,079,675	7,508,407	32,898,040	25,627,557
Mark-up on lease finance		191,262	601,572	1,220,321	2,006,107
Return on placements		16,556,526	-	48,201,314	4,222,927
Return on investments	12	27,142,874	22,925,780	77,060,459	109,693,304
Fees and Commission		2,899,926	367,674	10,965,595	1,193,634
Other income		964,862	2,153,468	4,139,430	6,034,289
		59,835,125	33,556,901	174,485,159	148,777,818
<b>EXPENSES</b>					
Return on certificates of deposit		17,797,726	15,649,753	55,683,760	43,176,403
Return on term finance certificates		9,138,384	15,269,621	30,557,996	50,086,613
Mark-up on short term running finance		156,782	2,155	1,684,647	91,245
Mark-up on borrowings from financial institutions		15,815,128	8,356,668	49,692,157	23,542,419
Amortization of premium on held to maturity investments		3,301,086	3,054,549	9,903,260	9,163,648
Administrative and other operating expenses	14	19,039,160	31,645,177	64,195,610	92,315,288
Impairment on available for sale investment		-	-	412,303	-
Other financial charges		41,389	62,715	111,506	228,247
		65,289,655	74,040,638	212,241,239	218,603,863
<b>Operating loss before Provisions and taxation</b>		(5,454,530)	(40,483,737)	(37,756,080)	(69,826,045)
Provision for doubtful financing - reversed		447,914	-	447,914	3,356,546
<b>Operating loss before taxation</b>		(5,006,616)	(40,483,737)	(37,308,166)	(66,469,499)
Taxation		(2,669,249)	(951,701)	(5,213,570)	(2,988,293)
<b>Loss after taxation</b>		(7,675,865)	(41,435,438)	(42,521,736)	(69,457,792)
Other comprehensive income - net of tax		-	-	-	-
<b>Total comprehensive loss - net of tax</b>		(7,675,865)	(41,435,438)	(42,521,736)	(69,457,792)
(Loss)/Earnings per share-basic and diluted		(0.17)	(0.94)	(0.96)	(1.58)

The annexed notes form 1 to 17 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

# Condensed Interim Consolidated Cash Flow Statement

## For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>Cash flow from operating activities</b>		
<b>Loss before taxation</b>	(37,308,166)	(66,469,499)
Adjustment for non cash expenses and other items:		
Dividend income	(41,961,363)	(4,548,753)
Depreciation on tangible assets	9,297,472	13,499,925
Provision for doubtful financing - reversed	(447,914)	(3,356,546)
Amortization of discount on Government Treasury Bills	-	1,449,662
Amortization of premium on held to maturity investments	9,903,260	9,163,648
Amortization of issuance cost of listed TFCs	1,179,972	1,179,972
Loss on sale of fixed assets	(984,873)	(3,016,945)
Impairment loss on portfolio shares	412,303	-
	(22,601,143)	14,370,963
	(59,909,309)	(52,098,536)
<b>Decrease/(increase) in operating assets</b>		
Disbursements of finances - net	(21,171,815)	(4,805,303)
Net investment in lease finance	5,237,519	8,727,234
Investment in placements - net	(578,103,644)	380,000,000
Investments - net	17,016,876	(23,489,317)
Loans and advances	(105,707,242)	(93,606,845)
Deposits and prepayments	859,094	(11,388,143)
	(681,869,212)	255,437,626
<b>Increase/ (decrease) in operating liabilities</b>		
Borrowings from financial institutions	521,441,875	(135,563,476)
Certificates of deposit	48,969,489	126,167,717
Trade and other payables	258,884,527	28,334,704
	829,295,891	18,938,945
<b>Net changes in operating assets and liabilities</b>	147,426,679	274,376,571
<b>Net cash generated from operating activities</b>	87,517,370	222,278,035
Taxes refund Receipt	109,571,097	19,532,190
<b>Net cash generated from operating activities</b>	197,088,467	241,810,225
<b>Cash flow from investing activities</b>		
Fixed capital expenditure incurred	(657,500)	(1,395,132)
Dividend received	13,760,117	4,548,753
Proceeds from sale of fixed assets	1,802,096	6,565,645
Investment in Cards and rooms	-	(750,000)
<b>Net cash (used in) generated from investing activities</b>	14,904,713	8,969,266
<b>Cash flow from financing activities</b>		
Redemption of privately placed term finance certificates	-	(45,796,715)
Redemption of listed term finance certificates	(166,534,000)	(166,534,000)
Repayment of lease obligation	(4,980,797)	(717,821)
<b>Net cash used in financing activities</b>	(171,514,797)	(213,048,536)
<b>Net increase / (decrease) in cash and cash equivalents</b>	40,478,383	37,730,955
<b>Cash and cash equivalents at the beginning of the period</b>	19,507,754	23,220,889
<b>Cash and cash equivalents at the end of the period</b>	59,986,137	60,951,844

The annexed notes form 1 to 17 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

## Condensed Interim Consolidated Statement of Changes in Equity For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

	Share capital Rupees	Statutory reserve Rupees	Accumulated (loss) Rupees	Total Rupees
Balance as at 01 July 2009	441,000,000	147,193,925	(106,603,187)	481,590,738
Net Loss upto 31 March 2010	-	-	(69,457,792)	(69,457,792)
Other comprehensive income				
Total comprehensive loss	-	-	(69,457,792)	(69,457,792)
<b>Balance as at 31 March 2010</b>	441,000,000	147,193,925	(176,060,979)	412,132,946
Balance as at 01 July 2010	441,000,000	147,193,925	(221,901,603)	366,292,322
Net loss upto 31 March 2011	-	-	(42,521,736)	(42,521,736)
Other comprehensive income				
<b>Total comprehensive loss</b>	-	-	(42,521,736)	(42,521,736)
<b>Balance as at 31 March 2011</b>	441,000,000	147,193,925	(264,423,339)	323,770,586

The annexed notes form 1 to 17 form an integral part of this interim consolidated financial information.



Chief Executive Officer



Director

# Condensed Interim Consolidated Notes to the Financial Statements

## For the Three Months and Nine Months Ended 31 March 2011 (Un-audited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited and its subsidiary Company (“The Group”) comprises of holding Company Escorts Investment Bank Limited (EIBL) and a wholly owned Subsidiary Company Escorts Capital Limited (“ESCAP”).

EIBL (“the Company”) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operations on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2008. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

ESCAP (“the Subsidiary”) was incorporated as a public Limited company in Pakistan on 5 June 2008 under the Companies Ordinance, 1984 and became a wholly owned subsidiary Company of EIBL in June 2008. The Subsidiary is principally engaged in brokerage business. The registred office of the subsidiary is situated at Escorts House, 26 Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term credit rating of the Company as “A-” and the short-term rating as “A2” dated 18 February 2011.

### 2. BASIS OF PRESENTATION

This interim financial Information of the Group has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

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 Group’s annual financial statements for the year ended 30 June 2010.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, ‘Financial Instruments: Recognition and Measurement’ and International Accounting Standard (IAS) 40, ‘Investment Property’ through Circular No. 19 dated August 13, 2003 to Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, ‘Financial Instruments: Disclosures’ through SRO 411(1) / 2008 on such Non-Banking Finance Companies which are engaged in investment finance services, discounting services and housing finance services.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2010.

The Group has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)  
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations  
 IFRS 8 – Operating Segments  
 IAS 1 – Presentation of Financial Statements  
 IAS 7 – Statement of Cash Flows  
 IAS 17 – Leases  
 IAS 36 – Impairment of Assets  
 IAS 39 Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the interim financial statements of the Group.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2010.

#### 5. BASIS OF CONSOLIDATION

The basis of consolidation for the preparation of this financial statements are the same as those followed in preparation of the annual audited consolidated financial statements of the Group for the year ended 30 June 2010.

	<b>31-Mar-11</b> <b>Rupees</b> <b>(Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>6. LONG TERM INVESTMENTS</b>		
<b>Held to maturity</b>		
Pakistan Investment Bonds	514,956,692	524,859,952
Term Finance Certificates - Unlisted	10,108,833	10,108,833
	<b>525,065,525</b>	<b>534,968,785</b>
Less: Current maturity of Term Finance Certificates	5,479,995	4,025,450
	<b>519,585,530</b>	<b>530,943,335</b>
<b>7. SHORT TERM INVESTMENTS</b>		
<b>Available for sale</b>		
Term Finance Certificates - Listed	3,269,951	4,889,673
Shares and units - Listed	26,966,894	52,719,858
Impairment Loss	(412,303)	(2,733,412)
	<b>29,824,542</b>	<b>54,876,119</b>

	<b>31-Mar-11 Rupees (Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>8. (DEFICIT)/SURPLUS ON REVALUATION OF INVESTMENTS</b>		
<b>Available for sale</b>		
Term finance certificates - Listed	(14,785)	(37,431)
Shares / units - Listed	(428,042)	7,217,002
	(442,827)	7,179,571
Less: Deferred tax	(355,693)	(355,693)
	(798,520)	6,823,878

**9. SHORT TERM BORROWINGS**

<b>9.1</b> Financial institutions - Secured	826,204,979	304,763,104
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These represents borrowings under repurchase agreements and carry mark-up ranging from 13.45% to 14% per annum (2010: 12.05% to 12.40% per annum) and are for a period ranging from 4 days to one month (2010: 3 days to 1 month). These are secured against Pakistan Investment Bonds.

	<b>31-Mar-11 Rupees (Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>10. TRADE AND OTHER PAYABLES</b>		
Customers' credit balances	109,087,453	4,610,836
Accrued return on certificates of deposit	2,428,205	5,140,442
Accrued return on term finance certificates	1,186,255	14,713,669
Accrued mark-up on secured borrowings	3,903,199	469,667
Accrued expenses and other payables	39,352,238	21,175,288
Share settlement account	149,825,179	-
Provision for compensated absences	2,016,173	2,804,272
Unclaimed dividend	2,387,274	2,387,274
	310,185,976	51,301,448

**11. CONTINGENCIES AND COMMITMENTS****11.1 Contingencies**

There is no material change in the status since the last audited published financial statements for the year ended 30 June 2010.

	<b>31-Mar-11 Rupees (Un-audited)</b>	30-Jun-10 Rupees (Audited)
<b>11.2 Commitments</b>		
Future sale contract - Purchase	254,423,010	-
Future sale contract - Shares	29,058,945	-
Capital expenditure - Intangible	-	500,000



	Three months ended		Nine months Ended	
	31-Mar-11 Rupees (Un-audited)	31-Mar-10 Rupees (Un-audited)	31-Mar-11 Rupees (Un-audited)	31-Mar-10 Rupees (Un-audited)
<b>12. RETURN ON INVESTMENTS</b>				
Mark-up / return on investments	15,239,712	15,778,876	46,891,261	47,412,348
Dividend income	38,553,804	856,425	41,961,363	4,548,753
Capital gain/(loss) on investments	(26,650,642)	6,290,479	(11,792,165)	57,732,203
	27,142,874	22,925,780	77,060,459	109,693,304
<b>13. ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>				
Salaries, wages, other benefits and allowances	7,143,989	12,041,550	24,667,066	37,556,031
Staff Training and Welfare	1,062	72,313	25,067	125,729
Advertisement and business promotion	40,900	660	148,251	265,747
Donation	-	-	100,170	-
Rent, rates and taxes	2,634,288	4,366,584	8,866,481	10,792,960
Utilities	528,549	807,818	1,915,966	2,856,100
Communication charges	774,248	954,423	2,174,267	2,873,886
Traveling and vehicle maintenance	1,459,931	1,845,244	5,774,137	5,141,769
Repair and maintenance	341,030	855,086	1,994,766	2,030,214
Entertainment	351,261	586,512	1,078,192	1,409,426
Fee and subscriptions	727,777	2,063,017	1,878,097	2,927,720
Legal and professional charges	266,633	1,777,735	1,567,222	5,034,430
Printing and stationery	341,741	468,121	1,000,957	1,262,401
Fee, brokerage and commission	32,008	26,347	73,403	315,729
CDC and clearing charges	746,974	113,452	1,451,042	1,619,480
Insurance	210,479	494,820	715,288	1,863,858
Amortization of issuance cost of listed TFCs	393,324	393,324	1,179,972	1,179,972
Depreciation	3,021,384	4,402,185	9,297,468	13,499,924
Penalty	-	-	60,000	88,000
Staff motor vehicle contribution and insurance	19,533	19,533	58,599	83,232
Miscellaneous expenses	4,049	356,453	169,199	1,388,680
	19,039,160	31,645,177	64,195,610	92,315,288

**14. TRANSACTIONS WITH RELATED PARTIES**

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

	31-Mar-11 Rupees (Un-audited)	31-Mar-10 Rupees (Un-audited)
<b>Transactions during the period</b>		
<b>Associated companies:</b>		
Return on finances received	3,338,806	340,468
Advisory fee	4,000,000	-
Profit paid on certificates of deposit	478,664	478,664
Chairman's secretariat expenses	2,700,000	2,700,000
Financing facility availed	2,124,000	53,073,931
Financing facility repaid	1,333,262	828,200
Letter of guarantee called	-	53,940,000

	<b>31-Mar-11 Rupees (Un-audited)</b>	31-Mar-10 Rupees (Un-audited)
<b>Directors:</b>		
Profit paid on certificates of deposit	5,068,700	11,595,480
Certificates of deposit issued	-	400,000
Financing facility availed	20,672,516	-
Financing facility repaid	320,168	-
<b>Executives:</b>		
Return on finances received	181,881	616,334
Profit paid on certificates of deposit	5,712,661	323,966
Fixed assets sold	1,202,096	1,390,244
Certificate of Deposit issued	8,600,000	16,559,362
Certificate of Deposit matured	3,660,000	17,978,702
Financing facility availed	5,524,400	2,536,357
Financing facility repaid	1,796,057	9,475,504
<b>Others:</b>		
Contribution to staff retirement benefits plan	933,862	1,172,815
	<b>31-Mar-11 Rupees (Un-audited)</b>	30-Jun-10 Rupees (Un-audited)
<b>Balance at the end of the period</b>		
<b>Associated companies:</b>		
Financing outstanding	77,247,087	76,456,349
Certificates of deposit outstanding	6,095,003	6,095,003
Other receivable	4,139,145	1,871,656
<b>Directors:</b>		
Financing outstanding	20,352,348	-
Certificates of deposit outstanding	50,400,000	116,050,000
Other receivable	-	6,653,021
<b>Executives:</b>		
Financing outstanding	7,151,005	1,954,046
Certificates of deposit outstanding	57,500,000	2,560,000
Other receivable	-	78,569

**15. SEGMENTAL ANALYSIS**

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

**Financing activities**

Financing activities include providing long-term and short-term financing facilities to corporate and individual customers.

**Investment activities**

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

**Nine Months ended 31 March 2011**

	<b>Financing activities</b>	<b>Investing activities</b>	<b>Total</b>
Profit on financing	32,898,040	-	32,898,040
Mark-up on lease finance	1,220,321	-	1,220,321
Return on placements	-	48,201,314	48,201,314
Return on investments	-	77,060,459	77,060,459
<b>Total income for reportable segments</b>	<b>34,118,361</b>	<b>125,261,773</b>	<b>159,380,134</b>
Finance costs	31,691,994	116,353,635	148,045,629
Administrative and other operating expenses	13,742,296	50,453,314	64,195,610
Provision for doubtful financing - reversed	(447,914)	-	(447,914)
<b>Segment result</b>	<b>(10,868,015)</b>	<b>(41,545,176)</b>	<b>(52,413,191)</b>
Other operating income			15,105,025
Loss before taxation			(37,308,166)
<b>Segment assets</b>	<b>238,298,717</b>	<b>1,440,060,343</b>	<b>1,678,359,060</b>
Unallocated assets			594,924,156
			2,273,283,216
<b>Segment liabilities</b>	<b>89,825,818</b>	<b>242,545,861</b>	<b>332,371,679</b>
unallocated liabilities			1,617,140,951
Equity			323,770,586
			2,273,283,216

Nine Months ended 31 March 2011			
	Financing activities	Investing activities	Total
Profit on financing	25,627,557	-	25,627,557
Mark-up on lease finance	2,006,107	-	2,006,107
Return on placements	-	4,222,927	4,222,927
Return on investments	-	109,693,304	109,693,304
<b>Total income for reportable segments</b>	27,633,664	113,916,231	141,549,895
Finance costs	24,654,317	101,634,258	126,288,575
Administrative and other operating expenses	18,021,982	74,293,306	92,315,288
Provision for doubtful financing - reversed	(3,356,546)	-	(3,356,546)
<b>Segment result</b>	(11,686,089)	(62,011,333)	(73,697,422)
Other operating income			7,227,923
Loss before taxation			(66,469,499)
<b>Segment assets</b>	190,487,189	822,347,574	1,012,834,763
Unallocated assets			698,758,466
			1,711,593,229
<b>Segment liabilities</b>	82,298,338	347,627,080	429,925,418
unallocated liabilities			869,534,865
Equity			412,132,946
			1,711,593,229

**16. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Group on 22 April 2011.

**17. GENERAL**

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director





ESCORTS INVESTMENT BANK LIMITED  
Escorts House, 26-Davis Road, Lahore