



**Escorts  
Investment  
Bank**

A Project of BAHRIA TOWN



# **Escorts Investment Bank Limited**

**Condensed Interim Financial Information  
For The Period Ended 31 March 2018**

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# Corporate Information

## Board of Directors

Mr. Zain Malik  
Chairman

Mr. Naveed Amin  
President & Chief Executive Officer

Mr. Rashid Ahmed  
Mr. Umair Rafique Vadria  
Mr. Karim Hatim  
Mr. Tahir Saeed Effendi  
Mr. Khawaja Nadeem Abbas

## Audit Committee

Mr. Karim Hatim  
Chairman / Member

Mr. Zain Malik  
Member

Mr. Tahir Saeed Effendi  
Member

## Human Resource & Remuneration (HRR) Committee

Mr. Umair Rafique Vadria  
Chairman / Member

Mr. Zain Malik  
Member

Mr. Naveed Amin  
Member

## Chief Financial Officer

Mr. Qasim Mansoor

## Company Secretary

Mr. Ajwad Ali

## External Auditors

Tariq Abdul Ghani Maqbool  
Chartered Accountants

## Internal Auditors & Tax Consultants

Riaz Ahmad and Company  
Chartered Accountants

## Legal Advisor

Cornelius, Lane & Mufti  
Advocates & Solicitors

## Share Registrar

Hameed Majeed Associates (Pvt.) Limited

## Bankers to the Company

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

## Network

### Registered Office

Alfalah Building, 1<sup>st</sup> Floor, Sector-B,  
Bahria Town Lahore  
Tel: (92-42) 35341845-6  
www.escortsbank.net  
info@escortsbank.net  
UAN: 08000 3425

### Lahore Branch

Bahria Town Corporate Office,  
Bahria Orchard, Raiwind Road.  
Tel: (92-42) 35451300, 35451467

### Karachi Branch

Bahria Town Head Office,  
Bahria Town.  
Tel: (92 -21) 38651556 -7  
Fax: (92-21) 38651558

## Directors' Report

### Dear Shareholders,

The Board of Directors of Escorts Investment Bank Limited ("Company") are pleased to present the condensed interim financial information of the Company for the period ended March 31, 2018.

M/s Bahria Town (Private) Limited (BTPL) has acquired 33,628,176 shares of the Company which comprises 76.254% of the total shareholding along with management control of the Company. M/s Bahria Town (Private) Limited has invested an amount of Rs. 1.2 billion. Now the Company has complied with Minimum Equity Requirement (MER). Upon injection of funds by M/s Bahria Town (Private) Limited, the Company has repaid outstanding principal amount along with mark-up accrued thereon to depositors. As a result of efforts of new management, the Investment Finance Services (IFS) license of the Company was renewed for three years along with permission to raise deposits in accordance with applicable laws.

Your Company has posted after tax loss of Rs. 125.492 million for the nine months ended 31 March 2018 as compared to after tax loss of Rs. 60.178 million during the corresponding period of last year. The primary reasons for increase in loss for the period included provision / impairment of assets, balances written off amounting to Rs. 113.913 million and shortfall in revenue for the period from Rs. 30.788 million to Rs. 18 million. Further, deferred income tax asset of Rs. 62.899 million has been recognized on available tax losses due to foreseeable taxable profits of the Company.

### Financial Highlights

Description	Nine months ended	
	31 March 2018	31 March 2017
	<b>Rupees</b>	<b>Rupees</b>
Revenue	<b>17,999,901</b>	30,788,462
Mark-up on Deposits	<b>34,513,404</b>	49,042,864
Loss before taxation	<b>189,170,704</b>	59,880,395
Taxation	<b>63,678,528</b>	(297,985)
Loss after taxation	<b>125,492,176</b>	60,178,380

After takeover, we have restructured all of our departments and hired experienced and qualified professionals. The Company has permission to take deposits from the market. Six new deposit products are designed and being offered to the customers. Your Company is

## Directors' Report

expecting to launch the Housing finance scheme in coming days. Our two new branches in Bahria Orchard, Lahore and Bahria Town, Karachi are performing well and providing the best services to our customers in their respective areas. In the coming days, one more branch in Karachi city and one branch in Rawalpindi shall be inaugurated. We have recommenced our business activities under the new management to cater the needs of our valued customers and by the Grace of God the response has been overwhelming.

Dear members, we are pleased to inform you that the PACRA has upgraded Credit Rating to "A-"/"A2" from "BB"/"B" (long term/short term) with stable outlook. The management is expecting that this upgraded credit rating shall provide a positive impact on raising deposits.

We would also take this opportunity to express our gratitude to SECP for their valuable support, guidance and confidence on the new management. We are also thankful to the sponsors' continued support which will enhance our capability to achieve our objectives. We also like to acknowledge the hard work of our senior management and all other employees in coping with challenge of taking our the Company in a smooth and on fast track basis.

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Chief Executive Officer

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Director



**Condensed Interim  
Financial Information (Un-audited)**

For the period ended 31 March 2018

# Condensed Interim Statement of Financial Position

As at 31 March 2018

ASSETS	Note	31-Mar-18 Rupees (Un-audited)	30-Jun-17 Rupees (Audited)
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	101,255,678	85,778,162
Intangible assets	7	85,644	114,192
Cards and rooms	8	12,750,000	33,450,000
Long term investment in subsidiary company	9	-	175,004,000
Long term finances		636,916	71,720,368
Net investment in lease finance		-	-
Long term loans and advances		-	67,835,998
Long term deposits and prepayments		424,600	45,754,950
Deferred tax asset -net	10	166,907,341	112,878,059
		<u>282,060,179</u>	<u>592,535,729</u>
<b>CURRENT ASSETS</b>			
Current maturities of non-current assets		2,395,545	40,345,684
Short term investments		83,398,926	80,575,342
Short term finances		9,974,445	16,985,630
Short term advances		278,000	33,999
Short term deposits and prepayments		-	261,408
Interest accrued		680,574	20,008,812
Other receivables		68,750,320	80,587,951
Tax refunds due from the government		101,344,525	157,339,190
Cash and bank balances	11	824,552,901	8,143,505
		<u>1,091,375,236</u>	<u>404,281,521</u>
<b>TOTAL ASSETS</b>		<u>1,373,435,415</u>	<u>996,817,250</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	12	441,000,000	441,000,000
Reserves		(332,298,476)	(207,582,381)
Surplus on revaluation of property		19,919,446	29,565,036
		<u>128,620,970</u>	<u>262,982,655</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	13	826,000,000	154,470,420
Long term certificates of deposit		74,000,000	63,711,234
		<u>900,000,000</u>	<u>218,181,654</u>
<b>CURRENT LIABILITIES</b>			
Current maturities of non-current liabilities		139,860,367	203,243,901
Short term certificates of deposit		41,640,000	182,937,197
Accrued markup		9,647,310	44,588,787
Unclaimed dividend		2,385,654	2,385,654
Trade and other payables	14	139,129,266	69,565,818
Provision for taxation		12,151,848	12,931,584
		<u>344,814,445</u>	<u>515,652,941</u>
Contingencies and commitments	15	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,373,435,415</u>	<u>996,817,250</u>

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

## Condensed Interim Statement of Profit or Loss (Un-audited)

For the period ended 31 March 2018

	Nine months period ended		Quarter ended		
	Note	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)
<b>INCOME</b>					
Profit on financing		5,115,507	10,826,042	99,184	2,328,870
Return on investments		2,895,195	17,919,053	757,720	1,191,793
Fees and commission		-	176,494	-	-
Profit on bank deposits		7,926,699	359,764	7,815,689	162,900
Mark up on lease finances		-	10,852	-	-
Other income		2,062,500	1,496,257	491,150	383,097
		<u>17,999,901</u>	<u>30,788,462</u>	<u>9,163,743</u>	<u>4,066,660</u>
<b>EXPENSES</b>					
Return on certificates of deposit		34,513,404	49,042,864	5,287,590	13,816,085
Mark-up on borrowings		8,991,652	4,152,348	8,991,652	-
Amortization of premium on held to maturity investments		-	775,667	-	-
Administrative expenses	16	49,731,336	36,770,292	24,615,274	12,782,610
Other financial charges		21,239	22,262	15,805	7,896
		<u>93,257,631</u>	<u>90,763,433</u>	<u>38,910,321</u>	<u>26,606,591</u>
Operating loss before taxation		(75,257,730)	(59,974,971)	(29,746,578)	(22,539,931)
Other operating charges	17	(113,912,974)	94,576	-	-
Loss before taxation		<u>(189,170,704)</u>	<u>(59,880,395)</u>	<u>(29,746,578)</u>	<u>(22,539,931)</u>
Taxation		63,678,528	(297,985)	110,870	(100,859)
Net loss for the period		<u>(125,492,176)</u>	<u>(60,178,380)</u>	<u>(29,635,708)</u>	<u>(22,640,790)</u>
Loss per share-basic and diluted		(2.85)	(1.36)	(0.67)	(0.51)

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



## Condensed Interim

### Statement of Profit or Loss and other Comprehensive Income (Un-audited)

For the period ended 31 March 2018

	Nine months period ended		Quarter ended	
	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)
Net loss for the period	(125,492,176)	(60,178,380)	(29,635,708)	(22,640,790)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified to profit or loss				
Deferred tax related to surplus on revaluation of property	(8,869,509)	-	-	-
<b>Other comprehensive loss:</b>	(8,869,509)	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(134,361,685)</b>	<b>(60,178,380)</b>	<b>(29,635,708)</b>	<b>(22,640,790)</b>

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

## Condensed Interim Statement of Cash Flows (Un-audited)

For the period ended 31 March 2018

	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(189,170,704)	(59,880,395)
Adjustment for non cash expenses and other items:		
Depreciation on property and equipment	4,580,452	5,049,442
Amortization on intangible assets	28,548	42,813
Impairment of cards and rooms	20,700,000	-
Provisions of doubtful balances	35,274,808	-
Balance written off	57,938,166	-
Gain on sale of property and equipment	(372,000)	-
	<u>118,149,974</u>	<u>5,092,255</u>
	(71,020,730)	(54,788,140)
<b>Decrease / (increase) in operating assets</b>		
Finances	95,120,893	63,800,634
Investments	(2,823,584)	132,499,597
Loan and advances	67,498,748	1,514,440
Interest accrued	2,380,459	(1,492,256)
Other receivables	(1,917,954)	1,977,063
Deposits and prepayments	45,261,408	(159,956)
	<u>205,519,970</u>	<u>198,139,522</u>
<b>(Decrease) / Increase in operating liabilities</b>		
Certificates of deposit	(275,961,335)	(250,106,229)
Accrued markup	(26,450,677)	17,318,249
Trade and other payables	4,947,637	13,229,580
	<u>(297,464,375)</u>	<u>(219,558,400)</u>
Net cash used in operations	(162,965,135)	(76,207,018)
Income tax (paid) / refund	(1,943,501)	18,353,679
Net cash used in operating activities	<u>(164,908,636)</u>	<u>(57,853,339)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(20,149,627)	-
Proceeds from sale of long term investment in subsidiary company	175,004,000	-
Proceeds from sale of property and equipment	463,659	3,372,433
Net cash from investing activities	<u>155,318,032</u>	<u>3,372,433</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings from financial institutions	-	(100,000,000)
Proceeds from long term financing	826,000,000	154,470,420
Net cash from financing activities	<u>826,000,000</u>	<u>54,470,420</u>
Net increase / (decrease) in cash and cash equivalents	816,409,396	(10,486)
Cash and cash equivalents at the beginning of the period	8,143,505	4,010,051
Cash and cash equivalents at the end of the period	<u>824,552,901</u>	<u>3,999,565</u>

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

# Condensed Interim Statement of Changes in Equity (Un-audited)

For the period ended 31 March 2018

	Share capital		Capital Reserves			Revenue Reserve		Total
	Rupees	Rupees	Statutory reserve	Fair value reserve	Surplus on revaluation of property	Accumulated loss	Rupees	
<b>Balance as at 01 July 2016</b>	441,000,000	158,496,746	176	31,121,088	(247,899,232)		382,718,778	
Net loss for the period ended 31 March 2017	-	-	-	-	-	(60,178,380)	(60,178,380)	
Other comprehensive loss for the period ended 31 March 2017	-	-	-	-	-	-	-	
Total comprehensive loss for the period ended 31 March 2017	-	-	-	-	-	(60,178,380)	(60,178,380)	
Transfer on account of incremental depreciation	-	-	-	-	(1,167,039)	1,167,039	-	
<b>Balance as at 31 March 2017</b>	441,000,000	158,496,746	176	29,954,049	(306,910,573)		322,540,398	
Net loss for the period ended 30 June 2017	-	-	-	-	-	(59,557,743)	(59,557,743)	
Other comprehensive loss for the period ended 30 June 2017	-	-	-	-	-	-	-	
Total comprehensive loss for the period ended 30 June 2017	-	-	-	-	-	(59,557,743)	(59,557,743)	
Transfer on account of incremental depreciation	-	-	-	-	(389,013)	389,013	-	
<b>Balance as at 30 June 2017 (Audited)</b>	441,000,000	158,496,746	176	29,565,036	(366,079,303)		262,982,655	
Net loss for the period ended 31 March 2018	-	-	-	-	-	(125,492,176)	(125,492,176)	
Other comprehensive loss for the period ended 31 March 2018	-	-	-	-	(8,869,509)	-	(8,869,509)	
Total comprehensive loss for the period ended 31 March 2018	-	-	-	-	(8,869,509)	(125,492,176)	(134,361,685)	
Transfer from surplus on revaluation of property - net of deferred tax	-	-	-	-	(776,081)	776,081	-	
<b>Balance as at 31 March 2018</b>	441,000,000	158,496,746	176	19,919,446	(490,795,398)		128,620,970	

The annexed notes from 01 to 22 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

# Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Pakistan Credit Rating Agency (PACRA) has upgraded long term and short term Credit Ratings of the Company from "BB" and "B" to "A-" and "A2" respectively with stable outlook on 18 April 2018.

## 2 SIGNIFICANT TRANSACTIONS AND EVENTS

During the period, on 08 January 2018, the Bahria Town (Private) Limited has acquired the majority shares of the Company along with its management control. M/s Bahria Town (Private) Limited has injected Rupees 650 million as subordinated loan to meet the minimum equity requirement of Rupees 750 million and Rupees 176 million has been injected as interest free Sponsor Loan. The Company has disposed off its investment in wholly owned subsidiary, M/s Escorts Capital Limited for Rupees 175 million to M/s Bahria Town (Private) Limited as per resolution of members passed in extra-ordinary general meeting held on 27 August 2017. Further, Rupees 200 million have been received from M/s Escorts Capital Limited on account of finances and other receivables. Thus, funds of Rupees 1,201 million have been received by the Company to liquidate its liabilities including the certificates of deposits and accrued mark-up thereon and resume its operations in effective and efficient manner.

Immediate after takeover, the Company has repaid principal amount of Certificates of Deposits of Rupees 396.446 million along with accrued mark-up of Rupees 71.872 million thereon (at agreed mark-up rates) up till 31 January 2018. The principal amount of Rupees 56.125 million along with accrued mark-up of Rupees 8.491 million thereon remained unpaid due to non-submission of succession certificates (by legal heirs of depositors) and other legal issues (note 14). This amount has been kept separately and is being repaid upon submission of valid succession certificates by legal heirs of depositors and completion of other necessary legal formalities.

The Company has successfully complied with minimum equity requirement. Further, the SECP, being satisfied in respect of repayment of certificates of deposits along with accrued mark-up thereon as mentioned earlier, has renewed the Investment Finance Services license of the Company for the period of three years along with permission to raise Deposits. The Company has resumed the operations with the support of sponsors and two new branches have been established one in Lahore and other in Karachi. Further branches in three major cities of the Pakistan will be set-up in near future. Based on the above and the financial projections, the management is confident that the Company shall continue and further improve its business growth during the coming years resulting in improvement of its profitability.

## 3 BASIS OF PRESENTATION

### 3.1 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:

## **Selected Notes To The Condensed Interim Financial Information (Un-audited)**

For the period ended 31 March 2018

- 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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

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 13 August 2003 to 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 this condensed interim financial information. 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 NBFCs which are engaged in investment finance services, discounting services and housing finance services.

#### **4 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 2017. 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 2017.

#### **5 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 2017.

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	31-Mar-18 Rupees (Un-audited)	30-Jun-17 Rupees (Audited)
<b>6 PROPERTY AND EQUIPMENT</b>		
Operating fixed assets (Note 6.1)	92,375,678	85,778,162
Advances for purchase of assets	8,880,000	-
	<u>101,255,678</u>	<u>85,778,162</u>
<b>6.1 Operating fixed assets</b>		
Opening net book value	85,778,162	95,873,568
Cost of addition (Note 6.1.1)	11,269,627	-
Less: Book value of deletion during period / year (Note 6.1.2)	91,659	3,372,433
Depreciation for the period / year	4,580,452	6,722,973
Closing net book value	<u>92,375,678</u>	<u>85,778,162</u>
<b>6.1.1 Cost of addition</b>		
Improvement on leasehold premises	6,415,397	-
Office furniture and fixtures	2,358,470	-
Computers	1,470,260	-
Office equipment	1,025,500	-
	<u>11,269,627</u>	<u>-</u>
<b>6.1.2 Book value of deletion during the period/year:</b>		
Cost	838,564	20,887,882
Less: Accumulated depreciation	746,905	17,515,449
Book value	<u>91,659</u>	<u>3,372,433</u>
<b>7 INTANGIBLE ASSETS</b>		
Opening net book value	114,192	171,279
Less: Amortization for the period / year	28,548	57,087
Closing net book value	<u>85,644</u>	<u>114,192</u>
<b>8 CARDS AND ROOMS</b>		
Opening carrying value	33,450,000	33,450,000
Less: Impairment charged during the period / year	20,700,000	-
Closing carrying value	<u>12,750,000</u>	<u>33,450,000</u>

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

### 9 LONG TERM INVESTMENT IN SUBSIDIARY COMPANY

This has been disposed off to M/s Bahria Town (Private) Limited, the Holding Company as stated in Note 2 to this condensed interim financial information.

### 10 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 as explained in Note 2.

	31-Mar-18 Rupees (Un-audited)	30-Jun-17 Rupees (Audited)
<b>11 CASH AND BANK BALANCES</b>		
Cash in hand	92,120	-
Cash with banks:		
Current accounts with:		
State Bank of Pakistan	263,312	338,950
Others	71,528	15,419
	334,840	354,369
Saving and deposit accounts	824,125,941	7,789,136
	<u>824,552,901</u>	<u>8,143,505</u>
<b>12 SHARE CAPITAL</b>		
<b>12.1 Authorized share capital</b>		
200,000,000 (30 June 2017: 50,000,000) ordinary shares of Rs. 10/- each	<u>2,000,000,000</u>	<u>500,000,000</u>
<b>12.2 Issued share Capital</b>		
44,100,000 (30 June 2017: 44,100,000) ordinary shares of Rs. 10/- each	<u>441,000,000</u>	<u>441,000,000</u>

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

- 12.2.1** 33,628,176 (30 June 2017: Nil) ordinary shares of the Company are held by Bahria Town (Private) Limited, the Holding Company.

	<b>31-Mar-18</b> <b>Rupees</b> <b>(Un-audited)</b>	<b>30-Jun-17</b> <b>Rupees</b> <b>(Audited)</b>
<b>13 LONG TERM FINANCING</b>		
From the Holding Company:		
Subordinated loan (Note 13.1)	650,000,000	-
Sponsor loan (Note 13.2)	176,000,000	-
	<u>826,000,000</u>	<u>-</u>
Others - subordinated loans ( Note 13.3)	137,694,382	154,470,420
	<u>963,694,382</u>	<u>154,470,420</u>
Less: Current maturity shown under current liabilities	137,694,382	-
	<u><u>826,000,000</u></u>	<u><u>154,470,420</u></u>

- 13.1** This is unsecured and carries mark-up at the rate of 3 months KIBOR per annum. This is repayable in two years and the Company has option to convert it into share capital.
- 13.2** This is unsecured, interest free, repayable within five years and the Company has option to convert it into share capital.
- 13.3** This represents unsecured subordinated loan of previous sponsor and repayable within one year. This carries mark-up at the rate of 6 months KIBOR per annum.

### 14 TRADE AND OTHER PAYABLES

This includes an amount of Rupees 64.616 million (30 June 2017: Rs. Nil) payable to deceased/ untraceable depositors as explained in Note 2 to this condensed interim financial information.

### 15 CONTINGENCIES AND COMMITMENTS

#### a) 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 2017.

#### b) Commitments

Outstanding guarantees amounting to Rs. Nil (30 June 2017: Rs. 6.3 million).



## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	Nine months period ended		Quarter ended	
	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)
<b>16 ADMINISTRATIVE EXPENSES</b>				
Salaries, allowance and other benefits	17,945,440	16,697,230	9,422,832	4,565,929
Staff training and welfare	67,500	35,980	-	9,480
Advertisement and business promotion	371,100	97,250	1,980	12,900
Rent, rates and taxes	3,572,330	2,316,176	3,070,000	720,269
Utilities	960,359	1,320,484	131,997	316,947
Communication charges	1,348,693	931,355	587,430	329,903
Travelling and vehicle maintenance	2,596,868	1,562,519	1,591,097	105,149
Repair and maintenance	754,779	1,099,470	102,217	300,573
Entertainment	752,151	669,360	487,703	352,313
Fee and subscriptions	6,950,165	2,067,889	381,394	1,579,937
Legal and professional charges	8,452,599	3,945,167	6,462,961	2,509,853
Printing and stationery	1,066,827	539,232	515,069	180,609
Fee, brokerage and commission	13,404	37,910	-	19,046
Donation	30,000	90,000	-	90,000
Insurance	55,286	265,615	15,921	29,247
Depreciation	4,580,452	5,049,442	1,653,922	1,644,384
Amortization on intangible assets	28,548	42,813	9,516	14,271
Miscellaneous expenses	184,835	2,400	181,235	1,800
	<u>49,731,336</u>	<u>36,770,292</u>	<u>24,615,274</u>	<u>12,782,610</u>
<b>17 OTHER OPERATING CHARGES</b>				
Impairment of cards and rooms	20,700,000	-	-	-
Provisions of doubtful balances / (reversal)	35,274,808	(94,576)	-	-
Balance written off	57,938,166	-	-	-
	<u>113,912,974</u>	<u>(94,576)</u>	<u>-</u>	<u>-</u>
<b>18 TRANSACTIONS WITH RELATED PARTIES</b>				

The related parties comprise, subsidiary company, associated companies, associated undertaking, staff retirement fund and key management personnel. The Company carried out transactions with the related parties in the normal course of business which are as follows:

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	Nine months period ended	
	31-Mar-18 Rupees (Un-audited)	31-Mar-17 Rupees (Un-audited)
<b>Transactions during the period</b>		
<b>Holding Company</b>		
Long term financing received	826,000,000	-
Mark-up on long term financing	7,014,849	-
Rent expense	1,900,000	-
Utilities expense	19,780	-
Proceeds from sale of long term investment in subsidiary company	175,004,000	-
<b>Subsidiary Company</b>		
Profit paid on certificates of deposit	-	1,052,055
<b>Associated companies:</b>		
Profit paid on certificates of deposit	-	1,504,046
Finances outstanding received	55,470,870	-
Long term deposit received	45,000,000	-
Return on finances received	37,061,740	-
Other receivables received	68,990,899	-
<b>Directors:</b>		
Return on finances received	-	418,508
Profit paid on certificates of deposit	-	328,219
<b>Executives:</b>		
Return on finances received	-	58,263
Profit paid on certificates of deposit	-	979,999
Proceeds from sale of vehicle	-	3,372,433
<b>Remuneration to key management personnel</b>		
Contribution to staff retirement benefits plan	1,778,032	-
	318,385	538,512

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	31-Mar-18 Rupees (Un-audited)	30-Jun-17 Rupees (Audited)
<b>Balances at the end of the period</b>		
<b>Holding company:</b>		
Long term financing	826,000,000	-
Accrued mark-up	7,014,849	-
Rent payable	1,900,000	-
<b>Subsidiary Company</b>		
Financing outstanding	-	50,000,000
Receivables	-	112,705,900
Profit receivable on financing	-	32,853,521
<b>Associated company:</b>		
Advances outstanding	-	12,188,017
Other receivable	-	25,408,723
Long term financing- Subordinated loan	-	34,357,049
<b>Directors:</b>		
Long term financing- subordinated loan	-	16,913,371
<b>Balances at the end of the period</b>		
<b>Executives:</b>		
Advances outstanding	-	1,457,667
Long term financing- subordinated loan	-	50,000,000
<b>Sponsors:</b>		
Long term financing- subordinated loan	-	53,200,000

### 19 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.

#### 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.

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	Nine months period ended 31 March 2018		
	Financing activities Rupees	Investing activities Rupees	Total Rupees
	(Un-audited)	(Un-audited)	(Un-audited)
Profit on financing	5,115,507	-	5,115,507
Return on investments	-	10,821,894	10,821,894
<b>Total income for reportable segments</b>	<b>5,115,507</b>	<b>10,821,894</b>	<b>15,937,401</b>
Finance costs	21,763,147	21,763,148	43,526,295
Administrative expenses	24,865,668	24,865,668	49,731,336
<b>Segment result</b>	<b>(41,513,308)</b>	<b>(35,806,922)</b>	<b>(77,320,230)</b>
Other income			2,062,500
Other operating charges			(113,912,974)
Loss before taxation			<u>(189,170,704)</u>

	As at 31 March 2018		
	Financing activities Rupees	Investing activities Rupees	Total Rupees
	(Un-audited)	(Un-audited)	(Un-audited)
<b>Segment assets</b>	<b>82,437,800</b>	<b>96,148,926</b>	<b>178,586,726</b>
Unallocated assets			1,194,848,689
			<u>1,373,435,415</u>
<b>Segment liabilities</b>	<b>118,011,219</b>	<b>19,484,141</b>	<b>137,495,360</b>
Unallocated liabilities			1,107,319,085
Equity			128,620,970
			<u>1,373,435,415</u>

## Selected Notes To The Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2018

	Nine months period ended 31 March 2017		
	Financing activities Rupees	Investing activities Rupees	Total Rupees
	(Un-audited)	(Un-audited)	(Un-audited)
Profit on financing	10,826,042	-	10,826,042
Return on investments	-	17,919,053	17,919,053
Mark up on lease finances	-	10,852	10,852
<b>Total income for reportable segments</b>	<b>10,826,042</b>	<b>17,929,905</b>	<b>28,755,947</b>
Finance costs	(49,841,701)	(4,151,440)	(53,993,141)
Administrative expenses	(34,939,606)	(1,830,686)	(36,770,292)
<b>Segment result</b>	<b>(73,955,265)</b>	<b>11,947,779</b>	<b>(62,007,486)</b>
Other income			2,032,515
Other operating charges			94,576
Loss before taxation			<u>(59,880,395)</u>

	As at 30 June 2017		
	Financing activities Rupees (Audited)	Investing activities Rupees (Audited)	Total Rupees (Audited)
	<b>Segment assets</b>	<b>197,715,277</b>	<b>308,210,557</b>
Unallocated assets			490,891,416
			<u>996,817,250</u>
<b>Segment liabilities</b>	<b>164,692,658</b>	<b>256,732,897</b>	<b>421,425,555</b>
Unallocated liabilities			312,409,040
Equity			262,982,655
			<u>996,817,250</u>

### 20 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 2017.

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 2017.

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

### 21 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 27 April 2018.

## **Selected Notes To The Condensed Interim Financial Information (Un-audited)**

For the period ended 31 March 2018

### **22 GENERAL**

**22.1** 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 except stated in note 22.2.

**22.2** Further, in order to comply with presentation and disclosure requirements the Companies Act, 2017, following reclassifications and re-arrangement have been made in this condensed interim financial information;

- Unclaimed dividend of Rupees 2,385,654 has been presented on the face of statement of financial position. Previously it was included in Trade and Other Payables.
- Surplus on revaluation of property has been presented as part of equity as per IFRS.

**22.3** Figures have been rounded off to the nearest rupees.

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

## ڈائریکٹرز رپورٹ

کراچی میں ہماری دو نئی شاخیں اچھا کام کر رہی ہیں اور اپنے متعلقہ شعبوں میں اپنے صارفین کو بہترین خدمات فراہم کر رہی ہیں۔ کراچی شہر اور راولپنڈی میں نئی شاخوں کا عنقریب افتتاح ہوگا۔ ہم نے نئی انتظامیہ کے تحت اپنی کاروباری سرگرمیاں شروع کیں ہیں تاکہ اپنے قابل قدر صارفین کی ضروریات کو پورا کیا جاسکے اور اس تناظر میں لوگوں نے بہت زیادہ دلچسپی دکھائی ہے۔

محترم اراکین، ہمیں آپ کو یہ آگاہ کرنے میں فخر محسوس ہو رہا ہے کہ PACRA نے مستحکم آؤٹ لک کے پیش نظر کریڈٹ ریٹنگ کو "BB"/"B" سے "A"/"A2" (طویل اور قلیل مدتی) میں ترقی دی ہے۔ انتظامیہ کو توقع ہے کہ یہ تجدید شدہ کریڈٹ ریٹنگ ڈیپازٹس بڑھانے میں مثبت اثرات مرتب کرے گی۔

ہم اس موقع پر SECP کی گراں قدر حمایت، رہنمائی اور نئی انتظامیہ پر اعتماد کو صدق دل سے سراہتے ہیں۔ ہم اپنے ساتھیوں (سپانسرز) اور کمیٹی کی ٹیم کی حمایت پر بھی شکرگزار ہیں جس کی وجہ ہم اپنے روزمرہ کے اہداف احسن انداز میں حاصل کرنے کے قابل ہوئے ہیں۔

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ڈائریکٹر

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چیف ایگزیکٹو آفیسر

# ڈائریکٹرز رپورٹ

معزز حصص داران!

ایسکورٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 31 مارچ، 2018ء کو اختتام پذیر مدت کے لئے کمپنی کی عبوری مالیاتی معلومات پیش کرنے میں فخر محسوس کرتے ہیں۔

میسرز بحریہ ٹاؤن (پرائیویٹ) لمیٹڈ نے کمپنی کے 33,628,176 حصص یعنی کل شیئرز ہولڈنگ کا 76.254% فی صد حاصل کیا ہے جس کے تحت BTL کمپنی کے انتظامی کنٹرول کا حامل ہو گیا ہے۔ میسرز بحریہ ٹاؤن (پرائیویٹ) لمیٹڈ نے 1.2 بلین روپے کی خطیر رقم سرمایہ کے طور پر لگائی ہے۔ اب کمپنی کم از کم ایکویٹی ضروریات (MER) کی حامل ہو گئی ہے۔ میسرز بحریہ ٹاؤن (پرائیویٹ) لمیٹڈ کی جانب سے لگائی گئی رقم کی وجہ سے کمپنی نے ڈیپازٹرز کو واجب الادا سرمایہ بمعہ منافع ادا کر دیا ہے۔ نئی انتظامیہ کی کاوشوں کے نتیجے میں کمپنی کے انویسٹمنٹ فنانس سرورسز (IFS) لائسنس کی تین سال کے لئے تجدید نو ہو چکی ہے اور لاگو قوانین کے تحت کمپنی کو اپنے ڈیپازٹس (ذخیروں) میں اضافہ کی اجازت بھی مل چکی ہے۔

آپ کی کمپنی نے گذشتہ مالی سال کی اسی مدت کے دوران 60.178 بلین روپے کے بعد از ٹیکس خسارہ کے مقابلہ میں 31 مارچ 2018ء کو اختتام پذیر نو ماہی کے لئے 125.492 بلین روپے خسارہ بعد از ٹیکس درج کیا ہے۔ اس مدت میں خسارہ کی بنیادی وجوہات میں، اثاثہ جات کی مالیت میں کمی، آمدنی میں 30.788 بلین روپے سے کم ہو کر 18 بلین روپے ہونا اور پرانے کھاتوں کو منہا کرنے کی مدد میں 113.913 روپے شامل ہیں۔ مزید برآں، مستقبل میں کمپنی کے قابل ٹیکس منافع کی وجہ سے دستیاب ٹیکس خسارہ کی مدد میں 62.899 بلین روپے زیر التوا ٹیکس اثاثہ ریکارڈ کیا۔

## اہم مالی نکات

اختتام پذیر نو ماہی مدت		تفصیلات
31 مارچ 2017	31 مارچ 2018ء	
روپے	روپے	
30,788,462	17,999,901	آمدنی
49,042,864	34,513,404	ڈیپازٹس پر مارک اپ
59,880,395	189,170,704	خسارہ قبل از ٹیکس
(297,985)	63,678,528	ٹیکس
60,178,380	125,492,176	خسارہ بعد از ٹیکس

انتظام سنبھالنے کے بعد، ہم نے اپنے تمام شعبوں پر نظر ثانی کی ہے اور قابل اور تجربہ کار عملہ کی بھرتی کی ہے۔ کمپنی کے پاس صارفین سے ڈیپازٹ لینے کی اجازت ہے۔ جیسے نئی ڈپازٹ کی مصنوعات تیار اور صارفین کو پیش کی گئی ہیں۔ ہاؤس فنانس سکیم کا اجرا جلد متوقع ہے۔ بحریہ آرچر ڈی لاء ہور اور بحریہ ٹاؤن



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**Registered Office:**

Alfalah Building, 1st Floor, Sector-B,  
Bahria Town, Mohlanwal, Lahore-Pakistan.

Tel: (92-42) 35341845-6

[www.escortsbank.net](http://www.escortsbank.net)

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