

2020

AN EYE ON THE FUTURE



CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2020



**Escorts
Investment
Bank**



Contents

Corporate Information	02
Directors' Report	03
Directors' Report (Urdu).....	04
Auditors' Review Report to the Members.....	05
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss	09
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Statement of Cash Flows	12
Selected Notes to the Condensed Interim Financial Statements	13

CORPORATE INFORMATION

Board of Directors

Ms. Zainab Malik
(Chairperson)

Mr. Naveed Amin
(Chief Executive Officer)

Mr. Karim Hatim
Syed Aamir Ahsan
Syed Tahir Nawazish
Mr. Tahir Saeed Effendi
Khawaja Nadeem Abbas

Audit Committee

Mr. Karim Hatim (Chairman)
Ms. Zainab Malik (Member)
Mr. Tahir Saeed Effendi (Member)
Syed Aamir Ahsan (Member)

Human Resource & Remuneration (HRR) Committee

Syed Aamir Ahsan (Chairman)
Mr. Tahir Saeed Effendi (Member)
Khawaja Nadeem Abbas (Member)
Mr. Naveed Amin (Member)

Chief Financial Officer

Mr. Muhammad Usman Khalid, ACA

Company Secretary

Mr. Ajwad Ali

External Auditors

Crowe Hussain Chaudhary & Co.
Chartered Accountants

Internal Auditors & Tax Consultants

Riaz Ahmad and Company
Chartered Accountants

Legal Advisor

Mandviwalla & Zafar
Advocates

Share Registrar

Hameed Majeed Associates (Private)
Limited

Bankers To the Company

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

Registered Office

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



سرمایہ کاری مسجدہاری کے ساتھ

BE AWARE, BE ALERT, BE SAFE

Learn about investing at
www.jamapunji.pk



DIRECTORS' REPORT

On behalf of the Board of Directors of Escorts Investment Bank Limited (“Company”), we are pleased to present the Directors’ report together with the condensed interim financial statements (unaudited) of the Company for the period ended on 31st December 2020 and Auditors Review Report thereon.

ECONOMY REVIEW

The performance of the economy remains mixed during the period. Persistent and targeted efforts of Government that include tax amnesty for construction sector and electricity package for industrial consumption, economy has started showing signs of recovery. It is expected that that restoration process will continue and help achieve high and sustainable growth in longer terms.

PERFORMANCE REVIEW

During the period, EIBL remained conservative towards writing new business. This coupled with lower interest rates had affected Company’s profitability and resultantly, Company incurred loss of Rs. 36.606 million as against Rs. 5.317 million of corresponding last year period. The Company, post 31 December 2020, accelerated the disbursement process and is writing new assets without compromising on credit quality.

ACKNOWLEDGEMENT

The Board of Directors would like to thank Securities and Exchange Commission of Pakistan and the sponsors for their continued support and guidance. Board would also like to record the appreciation for management and staff for their dedication, hard work, and efforts.

For and on behalf of the Board



Naveed Amin

Chief Executive / Director



Zainab Malik

Chairperson / Director

ڈائریکٹرز کی رپورٹ

ہم ایسکارٹس انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹرز رپورٹ اور 31 دسمبر 2020 کو اختتام پذیر ہونے والی مدت کے غیر آڈٹ شدہ مالی گوشوارے بمعہ آڈیٹرز کی جائزہ رپورٹ پیش کرنے میں مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

اس عرصے کے دوران معیشت میں ملاحراجان رہا۔ حکومتی اقدامات جن میں تعمیراتی شعبے میں ٹیکس کی چھوٹ اور صنعتی شعبے کے لیے بجلی کے استعمال کے بچکے کی بدولت بہتری کے آثار نظر آنا شروع ہو گئے ہیں۔ امید کی جاتی ہے کہ بحالی کا عمل جاری رہے گا اور طویل مدتی اور پائیدار ترقی کے حصول میں مدد ملے گی۔


کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران کمپنی نے کاروبار میں محتاط رویہ اختیار کیا۔ کم شرح سود کی بدولت کمپنی کے منافع پر اثر پڑا اور نقصان 36.606 ملین روپے رہا جو گذشتہ سال اسی مدت کے دوران 5.317 ملین روپے تھا۔ 31 دسمبر 2020 کے بعد کمپنی نے کریڈٹ کے معیار پر سمجھوتہ کیے بغیر قرضہ جات کی فراہمی کے عمل کو تیز کر دیا ہے۔


اعتراف

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سپانسرز کے گراں قدر تعاون، مدد اور رہنمائی پر ان کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین کی وابستگی، محنت اور جدوجہد کا اعتراف کرتا ہے۔

مخانب / برائے بورڈ


نوید امین

چیف ایگزیکٹو/ ڈائریکٹر


زینب ملک
چیئر پرسن / ڈائریکٹر

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ESCORTS INVESTMENT BANK LIMITED** ("the Company") as at December 31, 2020 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss account and the condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial information for the half year ended December 31, 2019 and the annual financial statements for the year ended June 30, 2020 of the Company were reviewed and audited, by another firm of chartered accountants who expressed an unmodified conclusion and opinion thereon vide their reports dated February 29, 2020 and October 06, 2020, respectively.

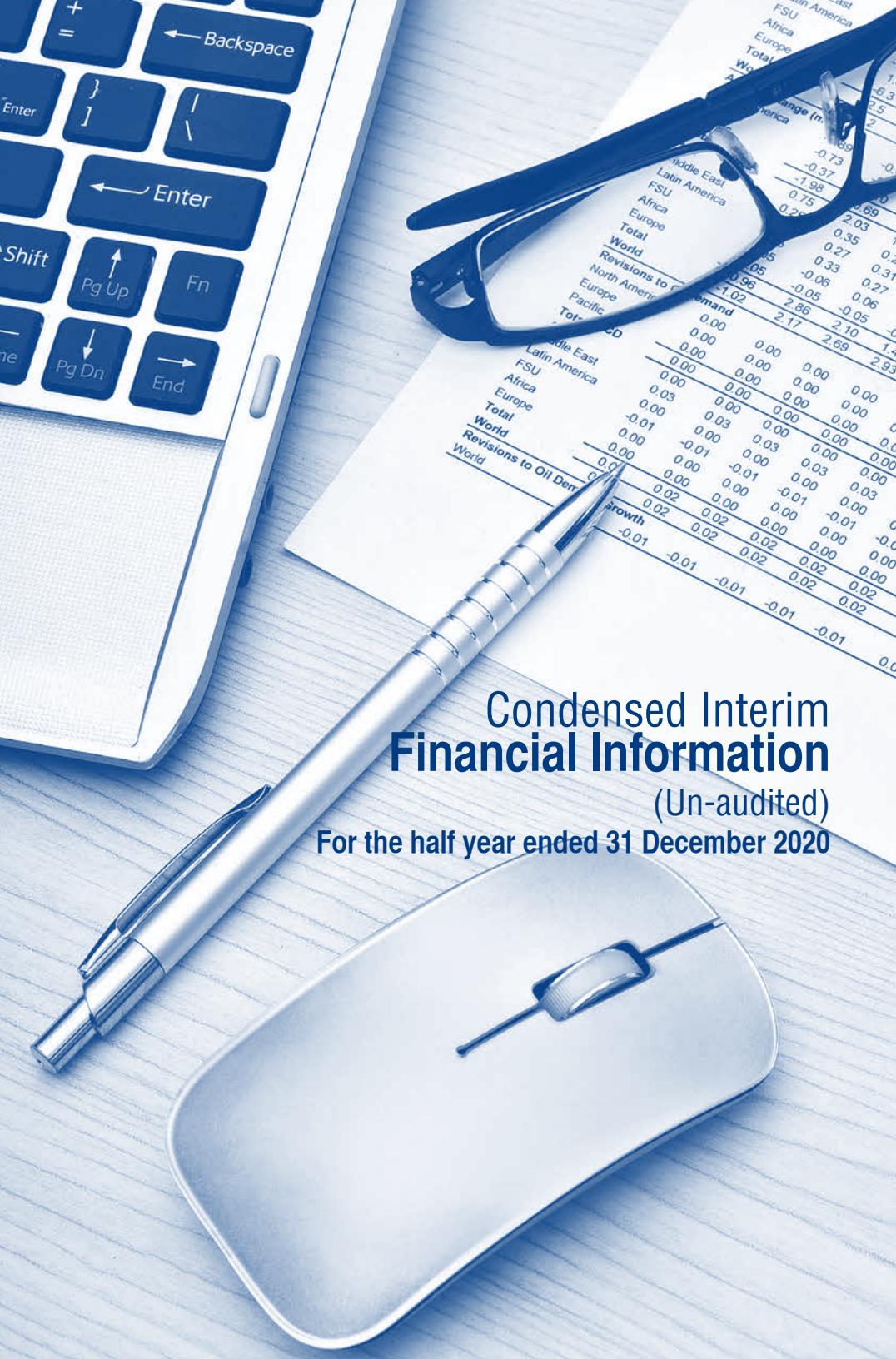
The engagement partner on the review resulting in this independent auditor's review report is Amin Ali.

LAHORE

Dated: February 15, 2021



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants



Condensed Interim Financial Information

(Un-audited)

For the half year ended 31 December 2020

Middle East					
Latin America					
FSU					
Africa					
Europe					
Total					
World					
Revisions to Oil Demand					
North America					
Europe					
Pacific					
Total					
World					
Demand					
Middle East	0.00	0.00	0.00	0.00	0.00
Latin America	0.00	0.00	0.00	0.00	0.00
FSU	0.00	0.00	0.00	0.00	0.00
Africa	0.00	0.00	0.00	0.00	0.00
Europe	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
World	0.00	0.00	0.00	0.00	0.00
Revisions to Oil Demand	-0.01	0.03	0.00	0.03	0.00
North America	0.00	0.00	0.00	0.00	0.00
Europe	0.00	0.00	0.00	0.00	0.00
Pacific	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
World	0.00	0.00	0.00	0.00	0.00
Growth	0.02	0.02	0.02	0.02	0.02
Middle East	-0.01	0.02	0.02	0.02	0.02
Latin America	-0.01	0.02	0.02	0.02	0.02
FSU	-0.01	0.02	0.02	0.02	0.02
Africa	-0.01	0.02	0.02	0.02	0.02
Europe	-0.01	0.02	0.02	0.02	0.02
Total	-0.01	0.02	0.02	0.02	0.02
World	-0.01	0.02	0.02	0.02	0.02

Condensed Interim Statement of Financial Position

As at 31 December 2020

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	201,658,663	190,478,756
Intangible assets	6	6,483,151	4,048,592
Cards and rooms		12,750,000	12,750,000
Long term investments		124,853,375	126,250,000
Long term finances	7	136,609,762	134,322,408
Long term deposits		25,449,600	15,449,600
Deferred tax asset - net	8	183,520,355	183,336,579
		691,324,906	666,635,935
CURRENT ASSETS			
Current portion of non-current assets		59,770,337	51,038,121
Short term investments		99,481,730	100,963,800
Short term finances		88,451,047	57,939,457
Short term advances		3,204,423	6,186,898
Prepayments		1,516,330	759,639
Interest accrued		9,407,647	10,225,945
Other receivables		71,987,296	71,784,977
Tax refunds due from the government		127,312,991	124,148,444
Cash and bank balances	9	139,778,047	286,662,222
		600,909,848	709,709,503
TOTAL ASSETS		1,292,234,754	1,376,345,438
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital		1,356,000,000	1,356,000,000
Capital reserves		158,350,121	159,746,746
Revenue reserve		(650,235,879)	(614,079,194)
Revaluation surplus on property and equipment		17,547,377	17,997,309
		881,661,619	919,664,861
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term certificates of deposit		20,000,000	51,250,000
Lease liabilities		60,600,776	61,602,519
		80,600,776	112,852,519
CURRENT LIABILITIES			
Current portion of non-current liabilities	10	188,683,596	157,465,127
Accrued markup		7,500,000	13,142,620
Trade and other payables	11	114,769,516	155,138,276
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		16,633,593	15,696,381
		329,972,359	343,828,058
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		1,292,234,754	1,376,345,438

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (Un-audited).

Chief Executive Officer

Chairperson


Chief Financial Officer

Condensed Interim Statement of Profit or Loss

For the half year and quarter ended 31 December 2020 (Un-audited)

	Note	Half year ended December 31,		Quarter ended December 31,	
		2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
INCOME					
Profit on financing		35,875,411	20,767,274	18,845,117	11,748,463
Return on investments		9,119,077	25,584,345	4,499,142	15,282,453
Income from fee and commission		2,275,964	2,379,107	1,190,264	1,454,278
Profit on bank deposits		6,647,493	23,735,441	2,731,299	9,491,896
Other income		8,769,536	1,237,500	8,126,719	618,750
		62,687,481	73,703,667	35,392,541	38,595,840
EXPENSES					
Mark-up on certificates of deposit		-	3,188,988	-	1,536,942
Mark-up on borrowings		-	7,841,249	(2,137,704)	3,707,547
Administrative expenses	13	92,985,278	73,475,460	47,865,896	42,111,597
Finance cost		3,104,399	1,982,479	1,553,831	1,947,319
		96,089,677	86,488,176	47,282,023	49,303,405
Operating loss before provisions and taxation		(33,402,196)	(12,784,509)	(11,889,482)	(10,707,565)
(Charge) / Reversal of provision against doubtful finances		(2,450,979)	8,233,478	(1,696,709)	8,347,467
Loss before Taxation		(35,853,175)	(4,551,031)	(13,586,191)	(2,360,098)
Taxation - net		(753,442)	(766,101)	(439,000)	(356,026)
Net Loss for the Period		(36,606,617)	(5,317,132)	(14,025,191)	(2,716,124)
Loss per share - basic and diluted		(0.27)	(0.04)	(0.10)	(0.02)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (Un-audited).


Chief Executive Officer


Chairperson


Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

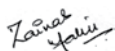
For the half year and quarter ended 31 December 2020 (Un-audited)

	Half year ended December 31,		Quarter ended December 31,	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Net Loss for the Period	(36,606,617)	(5,317,132)	(14,025,191)	(2,716,124)
Other Comprehensive Income:				
Items that will not be reclassified to profit or loss account	-	-	-	-
Items that may be reclassified subsequently to profit or loss account				
Loss on revaluation of investments - term finance certificates	(1,396,625)	(30,000)	373,125	(30,000)
Other comprehensive loss for the period	(1,396,625)	(30,000)	373,125	(30,000)
Total Comprehensive Loss for the Period	(38,003,242)	(5,347,132)	(13,652,066)	(2,746,124)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (Un-audited).



Chief Executive Officer



Chairperson



Chief Financial Officer

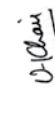
Condensed Interim Statement of Changes in Equity

For the half year ended 31 December 2020 (Un-audited)

Particulars	Rupees				
	Issued, subscribed and paid up capital	Capital reserves	Revenue reserve	Revaluation surplus on property and equipment	Total
Balance as at 30 June 2019 (audited)	441,000,000	158,496,746	(568,738,374)	18,944,536	49,702,783
Effect of initial application of IFRS 16	-	-	(874,757)	-	(874,757)
Net loss for the period	-	-	(5,317,132)	-	(5,317,132)
Other comprehensive loss for the period	-	(30,000)	-	-	(30,000)
Total comprehensive loss for the period	-	(30,000)	(5,317,132)	-	(5,347,132)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	473,614	(473,614)	-
Transaction with owners:					
Issuance of ordinary shares	915,000,000	-	-	-	915,000,000
Transaction cost on issuance of ordinary shares	-	-	(13,977,585)	-	(13,977,585)
Balance as at 31 December 2019	1,356,000,000	158,496,746	(588,434,234)	18,470,922	944,503,309
Balance as at 30 June 2020 (audited)	1,356,000,000	158,496,746	1,250,000	17,997,309	919,664,861
Net loss for the period	-	-	(36,606,617)	-	(36,606,617)
Other comprehensive loss	-	(1,396,625)	-	-	(1,396,625)
Total comprehensive loss	-	(1,396,625)	(36,606,617)	-	(38,003,242)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	449,932	(449,932)	-
Balance as at 31 December 2020	1,356,000,000	158,496,746	(650,235,879)	17,547,377	881,661,619

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (Un-audited).


Chairperson


Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2020 (Un-audited)

	Note	Half year ended December 31,	
		2020 Rupees	2019 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net Loss for the Period		(35,853,175)	(4,551,031)
Adjustment for:			
- Depreciation on property and equipment	5.1	7,955,440	5,892,366
- Depreciation on right of use assets		3,456,876	2,053,776
- Amortization on intangible assets	6.1	674,698	1,011,996
- Recovery against provision for doubtful balances		-	(8,496,223)
- Interest on lease liability against right-of-use assets		3,003,976	-
- Finance cost		100,423	-
- Provision for doubtful balances		2,450,979	262,745
		17,642,392	724,660
		(18,210,783)	(3,826,371)
Decrease / (increase) in operating assets			
- Finances - net		(43,982,139)	(74,238,745)
- Investments		1,482,070	(217,166,980)
- Loan and advances		2,982,475	2,548,039
- Interest accrued		818,298	(1,035,714)
- Other receivables		(202,319)	(362,523)
- Deposits and prepayments		(10,756,691)	(564,228)
Decrease in operating liabilities			
- Certificates of deposit		(31,531)	(29,461,224)
- Accrued mark-up		(5,642,620)	(25,955,667)
- Trade and other payables		(40,368,760)	(7,895,454)
Net changes in working capital		(95,701,217)	(354,132,496)
Net Cash Used in Operations		(113,912,000)	(357,958,867)
Finance cost paid		(100,423)	-
Taxation - net		(3,164,553)	(6,963,398)
Net Cash Used in Operating Activities		(117,176,976)	(364,922,265)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(22,592,223)	(10,969,951)
Capital expenditure on intangible assets		(3,109,257)	-
Net Cash Used in Investing Activities		(25,701,480)	(10,969,951)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		-	915,000,000
Payment of lease liabilities against right-of-use assets		(4,005,719)	(327,552)
Borrowings - net		-	(7,390,896)
Conversion of sub-ordinated loan into ordinary shares		-	(650,000,000)
Conversion of sponsors loan into ordinary shares		-	(176,000,000)
Share issue cost		-	(13,977,585)
Net Cash (Used in) / Generated from Financing Activities		(4,005,719)	67,303,967
Net Decrease in Cash and Cash Equivalents during the Period		(146,884,175)	(308,588,249)
Cash and cash equivalents at the beginning of the period		286,662,222	578,486,018
Cash and Cash Equivalents at the End of the Period		139,778,047	269,897,769

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements (Un-audited).


Chief Executive Officer


Chairperson


Chief Financial Officer

Selected Notes to the Condensed Interim Financial Statements

For the half year ended 31 December 2020 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited (“the Company”) is a public limited company incorporated in Pakistan on May 15, 1995 under the provisions of the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017). The Company started its commercial operations on October 16, 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 (NBFC) 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 regional offices are located as follows:

Regional office	Address
- Lahore	Bahria Town, Corporate office, Bahria Orchard, Raiwind Road.
- Karachi	Bahria Town, Head Office, Bahria Town Super Highway, Karachi.
- Rawalpindi / Islamabad	Bahria Town, Head Office, Phase VIII, Islamabad.
- Raiwind	Railway Road, Raiwind City, Raiwind.
- Ellahabad	Tufail Plaza Near PSO Pump, Chunian Road, Ellahabad.
- Hafizabad	Gujranwala Road, Opposite Admore Petrol Pump, Hafizabad.
- Nankana	Haider plaza B-II-IS-II, Malji Road, Tehsil & District Nankana Sahib.
- Sambrial	Near Makki Masjid, Mohala Naik Pura, Wazirabad Road, District Sialkot, Sambrial.
- Gojra	P-156 Eidgah Road, District Toba Teksing, Gojra.
- Sheikhpura	Opposite New Sabazimandi, Lahore Road, Sheikhpura.

The Pakistan Credit Rating Agency (PACRA) has maintained long term and short term Credit Ratings of the Company at “A-” and “A2” respectively with stable outlook on April 09, 2020. The ratings denote an adequate capacity of timely payment of financial commitments.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements (un - audited) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where the provisions of and directives issued under the Companies, Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, 2003 the NBFC & NE Regulations, 2008 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, 2003 the NBFC & NE Regulations, 2008 have been followed wherever applicable.

These condensed interim financial statements (un - audited) 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 June 30, 2020. These condensed interim financial statements (un - audited) are being presented and submitted to the shareholders as required by Listing Regulations of Pakistan Stock Exchange and under Section 237 of the Companies Act, 2017.

3 Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements (un - audited) are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2020. These interim financial statements (un - audited) 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 June 30, 2020.

4 Critical Accounting Estimates and Judgements

The preparation of these condensed interim financial statements (un - audited) in conformity with the approved accounting standards require 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 the preparation of these condensed interim financial statements (un - audited), 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 applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2020.

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	129,478,461	130,935,921
Right-of-use assets		56,034,039	59,490,915
Advances for purchase of assets		16,146,163	51,920
		201,658,663	190,478,756
5.1 Operating fixed assets			
Opening net book value		130,935,921	105,396,798
Cost of addition	5.1.1	6,497,980	38,650,246
Less: Depreciation for the period / year	13	7,955,440	13,111,123
Closing net book value		129,478,461	130,935,921

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
5.1.1 Cost of addition			
Improvement on leasehold premises		4,261,837	16,145,012
Office furniture and fixtures		939,785	3,824,497
Computers		65,049	2,328,354
Office equipment		1,125,479	3,672,119
Vehicles		105,830	12,680,264
		6,497,980	38,650,246
6. INTANGIBLE ASSETS			
Accounting software	6.1	3,373,896	4,048,592
Advance for ERP implementation		3,109,255	-
		6,483,151	4,048,592
6.1 Accounting software - Net carrying value			
As at July 01, 2020		4,048,592	6,072,585
Less: Amortization charge during the period / year	13	674,698	2,023,993
		3,373,894	4,048,592
7. LONG TERM FINANCES			
Considered good	7.1 & 7.2	192,146,890	183,210,712
Considered doubtful	7.2	35,371,556	31,615,956
Less: Provision for doubtful finances		(33,076,218)	(31,402,587)
		2,295,338	213,369
Less: Current portion		(57,604,352)	(48,872,136)
Less: General provision for micro finance portfolio		(228,114)	(229,537)
		136,609,762	134,322,408
7.1 Considered good			
House finance - secured	7.1.1	148,441,899	136,862,253
Micro finance	7.1.2	43,327,868	45,959,398
Others - secured	7.1.3	377,123	389,061
		192,146,890	183,210,712

7.1.1 This represents the balances of amount disbursed to house finance customers at return rate ranging from 13.17% to 22.42% (June 30, 2020: 13.98% to 22.42%) per annum for tenure of 2 to 20 years.

7.1.2 This represents the balance amount disbursed to micro finance customers at return rate ranging from 38.50% to 45% (June 30, 2020: 38.50% to 45%) per annum for tenure of 1 to 2 years.

7.1.3 These finance facilities are secured by hypothecation of or charge on assets, mortgage of property, lien over bank deposits and pledge of stocks. The expected rate of return ranges from 12% to 20% (June 30, 2020: 12% to 20%) per annum.

7.2 These finances facilities are secured by ranking charge on assets and pledge of stocks. The expected rate of return ranges from 14% to 17% (30 June 2020: 14% to 17%) per annum.

8. DEFERRED TAX ASSET - NET

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

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
9. CASH AND BANK BALANCES			
Cash in hand		1,279,532	453,545
Cash with banks:			
Current accounts with:			
-State Bank of Pakistan		179,825	158,996
-Others		886,761	20,467,073
		1,066,586	20,626,069
Saving and deposit accounts	9.1	137,431,929	265,582,608
		139,778,047	286,662,222

- 9.1 Rate of return on these accounts ranges from 5.50% to 6.50% (June 30, 2020: 6.50% to 11.50%) per annum whereas on term deposit receipts (TDRs) profit rate ranges from 6.51% to 6.60% (June 30, 2020: 6.60% to 13.25%) per annum.

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
10. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Subordinated loans from others	10.1 & 10.2	137,694,382	137,694,382
Certificates of deposit		46,250,000	15,000,000
Lease liabilities		2,573,229	2,604,760
Security deposits		2,165,985	2,165,985
		188,683,596	157,465,127

- 10.1 These loans were recognised as a result of conversion of Certificates of Deposits (COD) of outgoing sponsors and their associated undertakings when Bahria Town (Private) Limited acquired majority shares / control of the Company on January 08, 2018. These loans carry mark-up at rate of 6-month KIBOR as on date of takeover transaction duly approved by SECP. However the repayment of principal and mark-up amount is subject to prior approval of SECP.

- 10.2 During the period, the Company has entered into a tri-party settlement agreement with Bahria Town (Private) Limited and Sponsors' Group Depositors (SGDs), which states that the Company will repay loan of Rs. 137.694 million to SGDs in one lump sum payment. The SGDs shall facilitate to settle the sum of Rs. 37.992 million with the Company in one lump sum payment as being receivable from their affiliates. These repayments shall be made simultaneously subject to approval from the SECP for the repayment of loan and that the loans are not required to be subordinated towards all other liabilities of the Company.

The markup payable by the Company to the SGDs is negotiated at Rs. 7.5 million as full and final settlement and shall be payable along with the payment of lump sum SGDs outstanding loan. The differential of accrued markup (Rs. 5.86 million) i.e. difference of markup booked in financials (June 30, 2020: Rs. 13.8 million) and markup agreed under the agreement (Rs. 7.5 million) has been recognized in statement of profit or loss account during the period.

	Note	31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
11. TRADE AND OTHER PAYABLES			
Customers' credit balances		4,447,550	4,447,550
Certificate of depositors of deceased and untraceable	11.1	60,325,739	79,901,419
Accrued expenses and other payables	11.2	49,996,227	70,789,307
		114,769,516	155,138,276

11.1 This represents amount payable on account of certificate of deposits. These sums have remained unpaid due to non-submissions of succession certificates (by legal heirs of deposit holders) and other legal issues.

11.2 This includes markup of Rs. 1.053 million (June 30, 2020: 0.102 million) suspended in accordance with NBFC Regulations.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 June 2020 except as stated below.

The Assistant Commissioner Sindh Revenue Board (SRB) has initiated proceedings u/s 15 & 15A of the Sindh Sales Tax on Services, Act 2011 and as a result which order was issued on May 16, 2020. In consequence of such order Company filed an appeal before the Commissioner (Appeals) SRB, who has issued order on October 22, 2020, where directions are issued to rival parties to sit together to devise a mechanism for the reconciliation of input tax adjustment in the light of applicable provisions. However, SRB has yet not served any notice for such meeting to the Company. In this response the Company has filed an appeal before Appellate Tribunal SRB against the aforementioned order. The case is pending for adjudication and the Company expects a favorable outcome in this regard.

The Commissioner Inland Revenue has issued notices under section 44(4) of the Income tax Rules, 2002 in respect of tax years 2014-2020. The Company is in the process of making compliance of such notices.

		31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
12.2 Commitments			
ERP implementation agreement		3,899,385	-
House finance customers		59,700,000	12,300,000
		63,599,385	12,300,000

		Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note					
13.	ADMINISTRATIVE EXPENSES				
	Salaries, allowance and other benefits	13.1 51,313,205	34,283,274	27,124,955	19,490,359
	Staff training and welfare	1,278,054	1,500,000	513,654	750,000
	Advertisement and business promotion	210,930	2,572,869	119,260	2,072,786
	Rent, rates and taxes	610,482	465,022	162,980	(688,000)
	Utilities	3,557,225	2,924,667	1,355,940	1,350,251
	Communication charges	2,549,322	1,402,214	1,624,611	962,294
	Travelling and vehicle maintenance	2,561,731	3,966,936	1,281,178	2,680,911
	Repairs and maintenance	1,952,899	2,181,923	875,503	1,486,385
	Entertainment	664,693	767,089	339,813	558,032
	Fees and subscriptions	859,466	1,542,258	74,228	301,393
	Legal and professional charges	13.2 11,723,436	10,556,040	6,004,066	6,028,411
	Printing and stationery	1,135,733	1,454,106	776,584	1,024,145
	Insurance	2,481,088	897,335	1,479,636	482,987
	Depreciation on property and equipment	7,955,440	5,892,366	4,067,699	3,048,280
	Depreciation on right of use assets	3,456,876	2,053,776	1,728,438	2,053,776
	Amortization on intangible assets	674,698	1,011,996	337,351	505,998
	Miscellaneous expenses	-	3,589	-	3,589
		92,985,278	73,475,460	47,865,896	42,111,597

13.1 This includes contribution to provident fund amounting to Rs. 0.966 million (June 30, 2020: Rs. 1.700 million) made by the Company in the approved provident fund trust.

13.2 This includes audit fee of Rs. 326,095 (2019: Rs. 326,095).

14. SEGMENTAL ANALYSIS

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

14.1 Financing activities

House finance activities

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

Micro finance activities

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

Term and other finance activities

Term finance activities include providing long-term financing facilities to corporate entities and individuals that do not fall into the above referred activities.

14.2 Investing activities

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

Six months ended 31 December 2020 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
	-----Rupees-----				
Profit on financing	13,951,384	21,924,027	-	-	35,875,411
Income from fee and commission	68,964	2,207,000	-	-	2,275,964
Return on investments	-	-	-	15,766,570	15,766,570
	14,020,348	24,131,027	-	15,766,570	53,917,945
Total income for reportable segments					
Finance costs	22,977	3,023,418	1,767	56,237	3,104,399
Administrative expenses	31,677,392	55,278,443	1,596,029	4,433,414	92,985,278
Segment result	(17,680,021)	(34,170,834)	(1,597,796)	11,276,919	(42,171,732)
Other income - net					6,318,557
Loss before taxation					(35,853,175)
Segment assets	170,089,239	217,347,849	12,543,108	239,712,432	639,692,628
Unallocated assets					652,542,126
					1,292,234,754
Segment liabilities	49,655,120	107,509,292	3,759,542	119,621,806	280,545,760
Unallocated liabilities					130,027,375
Equity					881,661,619
					1,292,234,754

Six months ended 31 December 2019 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
	-----Rupees-----				
Profit on financing	8,893,506	11,174,743	699,025	-	20,767,274
Income from fee and commission	526,702	1,852,405	-	-	2,379,107
Return on investments	-	-	-	49,319,786	49,319,786
Total income for reportable segments	9,420,208	13,027,148	699,025	49,319,786	72,466,167
Finance costs	1,416,797	1,216,099	261,332	10,118,488	13,012,716
Administrative expenses	27,328,730	38,453,106	3,667,869	4,025,755	73,475,460
Segment result	(19,325,319)	(26,642,057)	(3,230,176)	35,175,543	(14,022,009)
Other income					1,237,500
Other operating charges					8,233,478
Loss before taxation					(4,551,031)

As at 30 June 2020 (Audited)

Financing activities			Investing activities	Total
House finance activities	Micro finance activities	Term & other finance activities		
-----Rupees-----				

Segment assets	152,866,123	193,293,644	12,555,046	497,757,198	856,472,011
Unallocated assets					519,873,427
					<u>1,376,345,438</u>
Segment liabilities	40,709,487	93,937,057	3,661,074	148,234,624	286,542,242
Unallocated liabilities					170,138,335
Equity					919,664,861
					<u>1,376,345,438</u>

15. TRANSACTIONS WITH RELATED PARTIES

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

			Half year ended	
			December 31, 2020	December 31, 2019
Transactions during the period			(Unaudited)	(Unaudited)
-----Rupees-----				
Related Party	Relation-ship	Nature of transaction		
Bahria Town (Private) Limited	Holding Company	Utilities and maintenance expense paid	2,295,623	2,027,630
		Payment made for vehicle purchased	12,478,500	-
		Expense recorded on account of Utilities and maintenance payable	2,058,558	-
		Payment made on account of trade and other payable	1,085,850	-
		Long term security deposit paid against rent	10,000,000	-
		Shares issued against subordinated loan	-	650,000,000
		Shares issued against sponsors loan	-	176,000,000
		Shares issued against mark-up on long term financing	-	30,542,790
Escorts Capital Limited	Associated Company	Advance for acquisition of asset	16,000,000	-
		Borrowings paid	-	21,678,160
		Shares issued against borrowings	-	15,173,960
		Mark-up on borrowings accrued	-	845,363
		Mark-up on borrowings paid	-	996,708

			Half year ended	
			December 31, 2020	December 31, 2019
Transactions during the period			(Unaudited)	(Unaudited)
			-----Rupees-----	
Related Party	Relation- ship	Nature of transaction		
Bahria Grand Hotel and Resorts	Associated Company	Entertainment expense	114,636	202,304
		Payment of entertainment expense	106,586	-
The Safari Club	Associated Company	Entertainment expense	-	7,065
Others	Associated Companies	Certificates of deposit matured	-	29,461,224
		Mark-up on borrowings accrued	-	2,720,478
		Mark-up on borrowings paid	-	2,310,787
		Borrowings received	-	29,461,224
Executives	Key management personnel	Remuneration to key management personnel	12,605,798	7,826,423
Escorts Investment Bank Limited Employees Provident Fund		Contribution to staff retirement benefits plan	967,152	873,866
Balance at Period / year end				
Relation with the Company	Nature of transaction		31-Dec-20 Rupees (Un-audited)	30-Jun-20 Rupees (Audited)
Balance at Period / year end				
Bahria Town (Private) Limited	Trade and other payables		162,002	14,014,323
	Certificates of deposit		10,000,000	10,000,000
	Security deposit against branches		25,000,000	15,000,000
Escorts Capital Limited	Advance for acquisition of asset		16,000,000	-
Bahria Grand Hotel and Resort	Entertainment		8,050	-

15.1 Bahria Town (Private) Limited - holding Company has waived off rent of certain branches including head office located in Bahria Town projects across the Pakistan.

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

These condensed interim financial statements (un-audited) do 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 2020.

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company and for the year ended 30 June 2020.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements (un-audited) approximate their face value.

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

17. SUBSEQUENT EVENTS

There were no significant adjustable events subsequent to December 31, 2020 which may require an adjustment to the financial statements or additional disclosure and have not already been disclosed in these financial statements.

18. DATE OF AUTHORIZATION FOR ISSUE

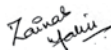
These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on February 15, 2021.

19. GENERAL

- 19.1 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 other comprehensive income and condensed interim statement of cash flows (un audited) have been compared with the balances of comparable (un audited) period of immediately preceding financial year.
- 19.2 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.
- 19.3 Figures have been rounded off to the nearest rupees.



Chief Executive Officer

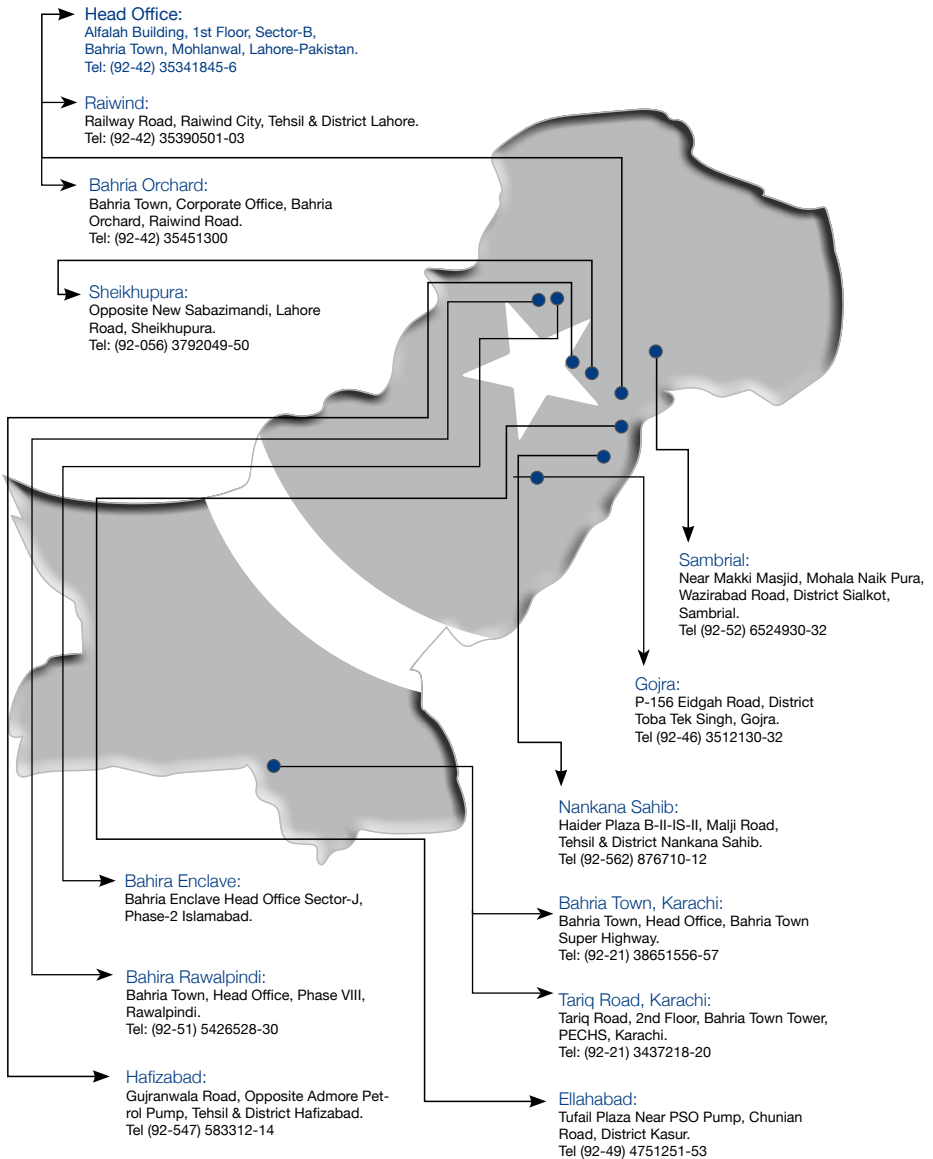


Chairperson



Chief Financial Officer

BRANCH NETWORK


















Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



**Escorts
Investment
Bank**



www.escortsbank.net
info@escortsbank.net

Follow Escorts Investment Bank Limited



Registered Office:

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

Tel: (92-42) 35341845-6

www.escortsbank.net

info@escortsbank.net

UAN: 042 111 003 425

Toll Free: 0800 03425