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ANNUAL
REPORT
2021



**Escorts
Investment
Bank**

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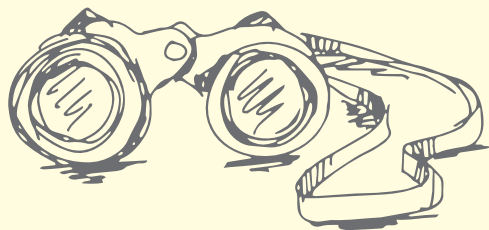
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FINANCIAL CALENDAR

2020-2021

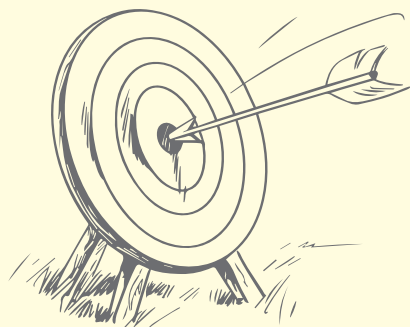
1st Quarter results issued on	October 28, 2020
2nd Quarter results issued on	February 15 2021
3rd Quarter results issued on	April 30, 2021
Recommendation of Annual Results by the BOD	October 06, 2021
26th AGM scheduled for approval of Annual Results	October 28, 2021

Vision & Mission Statement



Our Vision

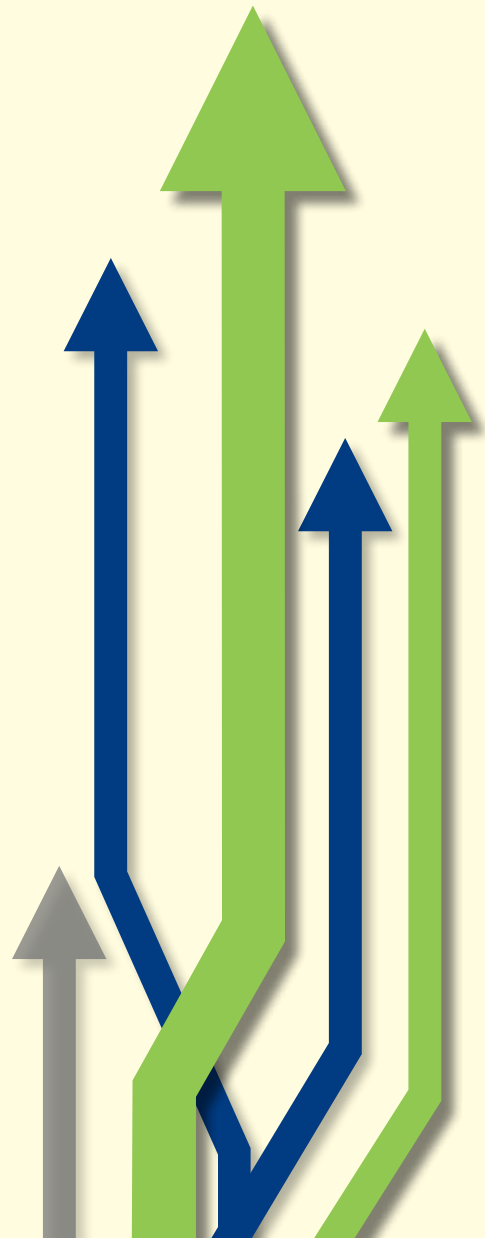
Value addition for our stakeholders through enhanced business activity and emphasis on Better Risk Identification and Management as opposed to Risk Avoidance.



Our Mission

To build Escorts Investment Bank Limited into an elite institute comparable with, if not better than, any top quality local or foreign financial institution, in terms of a progressive corporate culture and an autonomous, committed and dedicated Executive Management with

An Eye On The Future.






Who We Are?

- Escorts Investment Bank Limited (EIBL) is a Non-Banking Financial Institution with valid IFS license. It was registered and incorporated in Pakistan on 15th May 1995.
- EIBL is regulated and supervised by Securities and Exchange Commission of Pakistan and is listed on Pakistan Stock Exchange Limited.
- In the year 2018, sponsorship and management control was taken over by Bahria Town (Private) Limited from the outgoing sponsors.
- EIBL focuses primarily on lending business including House Finance, Corporate Finance & Micro Finance.

Core Values

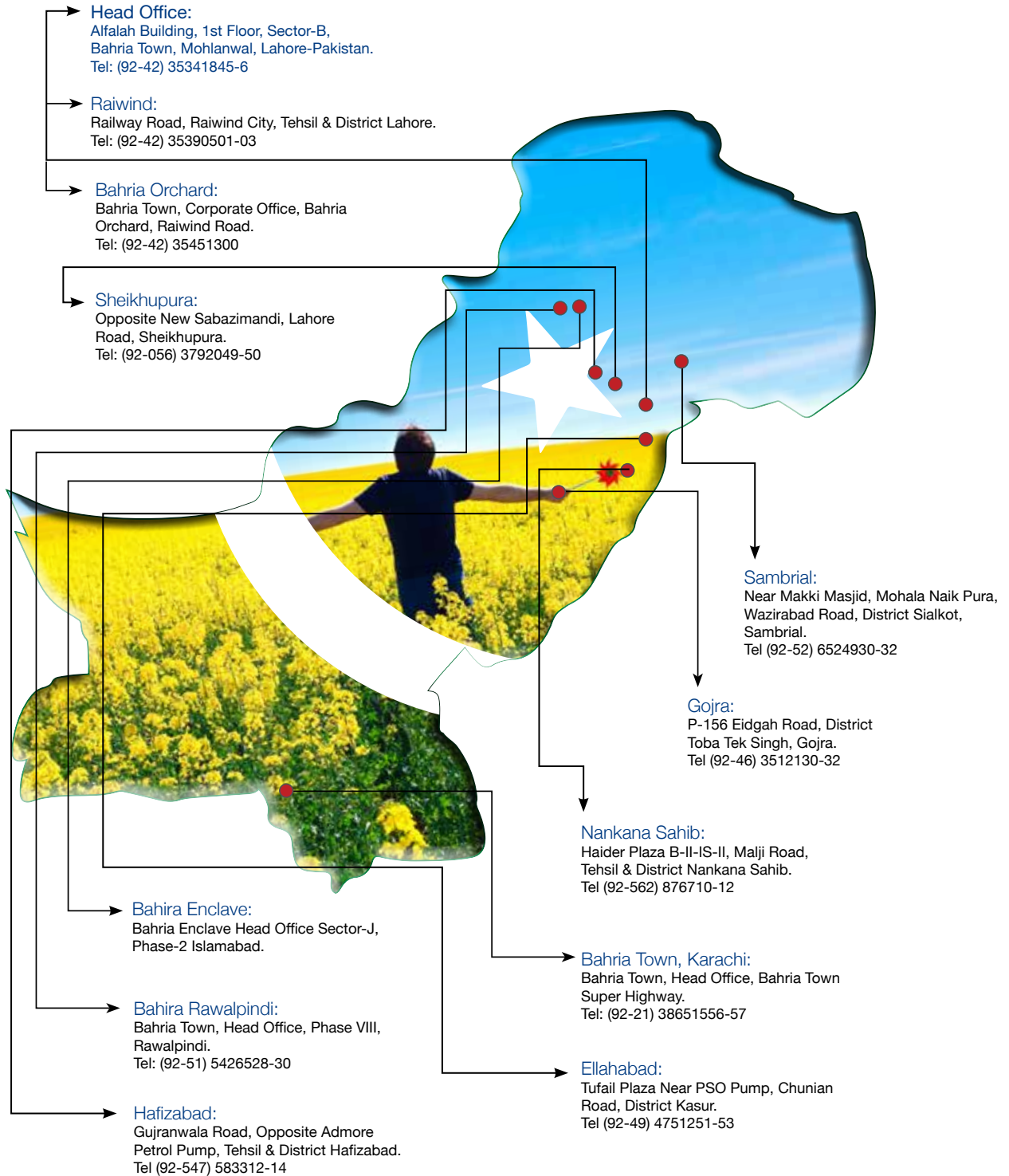
 Integrity

 Honesty

 Continuous Innovation

 Commitment to Customers

BRANCH NETWORK



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Zainab Malik
(Chairperson)

Mr. Naveed Amin
(Chief Executive Officer)

Mr. Muhammad Mubashir Hussain
Syed Tahir Nawazish
Mr. Tahir Saeed Effendi
Khawaja Nadeem Abbas

AUDIT COMMITTEE

Mr. Muhammad Mubashir Hussain (Chairman)
Ms. Zainab Malik (Member)
Khawaja Nadeem Abbas (Member)

HUMAN RESOURCE & REMUNERATION (HRR) COMMITTEE

Mr. Muhammad Mubashir Hussain (Chairman)
Ms. Zainab Malik (Member)
Mr. Naveed Amin (Member)
Syed Tahir Nawazish (Member)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman Khalid, ACA

COMPANY SECRETARY

Mr. Ajwad Ali, FCCA

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



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PRODUCT PORTFOLIO



Housing Finance

Home for Everyone

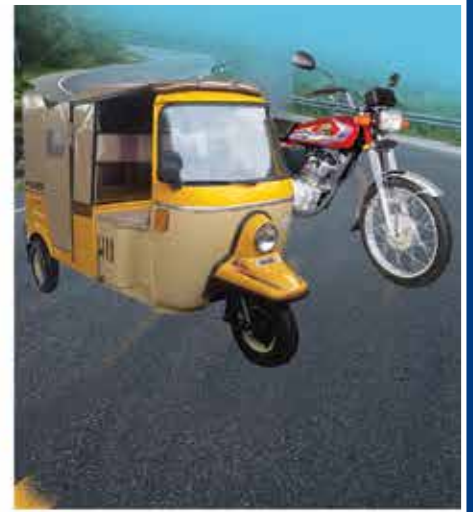
Quick Processing 🏠 Easy Installment



Deposit Schemes

Turning Savings into Capital

Attractive Profits 📈 Flexible Terms of Investment



مائیکرو فنانس

آپ کی ترقی کا سامان ایسکاٹس بینک کے ذریعے ہو آسان

آسان اقساط ❖ فوری قرضے کا اجراء

❖ لائیو سٹاک قرضہ ❖ انفرادی قرضہ

❖ زرعی قرضہ ❖ کاروباری قرضہ

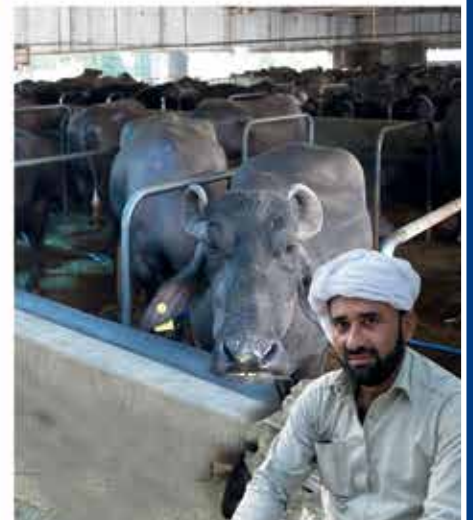
❖ قرضہ برائے چھوٹی سواری



OTHER PRODUCTS

- ❖ Term Loans
- ❖ Letter of Guarantee
- ❖ Letter of Credit - Inland
- ❖ Bill Discounting
- ❖ Advisory services

** and many more*



A-

LONG TERM RATING

A2

SHORT TERM RATING



CREDIT RATING

ENTITY RATINGS BY PACRA

Long Term: A-
Short Term: A2

RATING DEFINITION

LONG TERM RATING

A- denotes a high credit quality with lower expectation of credit risk. It indicates very strong capacity to timely honour its financial commitments.

SHORT TERM RATING

A2: denotes satisfactory capacity of your Company for timely payment.

NOTICE FOR CALLING OF ANNUAL GENERAL MEETING

Notice is hereby served to all the Members of the Company that the 26th Annual General Meeting of the Members of ESCORTS INVESTMENT BANK LIMITED (“Company”) will be held on Thursday October 28, 2021 at 09:30 a.m. at Bahria Grand Hotel & Resort situated at Canal Bank Road, Executive Lodges, Sector-B, Bahria Town, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 28, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2021 together with the Auditor’s Report, Directors’ Report and Chairperson’s Review Report thereon;
3. To appoint External Auditors for the year ending June 30, 2022 and fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of M/s Tariq Abdul Ghani Maqbool and Company Chartered Accountants who being eligible have offered themselves for the appointment.

OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



AJWAD ALI
Company Secretary

Lahore:
October 07, 2021

NOTES:

1. The share transfer books of the Company will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Transfers received in order at the office of Company’s Share Registrar M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7 - Bank Square, Lahore, by close of business on Thursday, October 21, 2021, will be considered in time, to entitle the transferees to attend and vote at the AGM.
2. All members are entitled to attend and vote at the Meeting. A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote in his / her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than forty eight (48) hours before the time of holding meeting.

3. An instrument of proxy applicable for the Meeting is being provided with the notice sent to the members. Further copies of the instrument may be obtained from the registered office of the Company during normal office hours. The proxy form can also be downloaded from the Company's website: www.escortsbank.net/
 - iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
 - v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.
4. The members are requested to submit a copy of their Computerised National Identity Card (CNIC), if not already provided and immediately notify changes if any, in their addresses to our Share Registrar Hameed Majeed Associates (Pvt.) Limited.

Placement of Financial Statements

5. CDC Account Holders will further have to follow the below mentioned guidelines as laid down in Circular 1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:
 - A. For attending the meeting:
 - i) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - ii) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her CNIC or original passport at the time of attending the meeting.
 - B. For appointing proxies:
 - i) In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form.
 - iii) Attested copies of CNIC or the passport of

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2021 along with Auditor's Report, Directors' Report and Chairperson's Review Report thereon on its website: www.escortsbank.net/

Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Escorts Investment Bank Limited during the Company's 24th Annual General Meeting held on October 28, 2019, had accorded their consent for transmission of Annual Reports including Audited Annual Financial Statements and other information contained therein of the Company through CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form available on the Company's website www.escortsbank.net/ and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

Circulation of Accounts via Email

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.escortsbank.net and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt.) Limited.

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا کمپنی کے تمام اراکین کو مطلع کیا جاتا ہے کہ ایس کارٹس انویسٹمنٹ بینک لمیٹڈ کا چھبیسواں سالانہ اجلاس عام، بحریہ گرینڈ ہوٹل اینڈ ریزورٹ، ایگزیکٹو بلاک، سیکٹری، بحریہ ٹاؤن لاہور 28 اکتوبر، 2021 بروز جمعرات، صبح 9:30 بجے، درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا:

عمومی امور:

- (1) سالانہ اجلاس عام منعقدہ 28 اکتوبر، 2020 کے منٹس کی منظوری۔
- (2) 30 جون، 2021 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔
- (3) 30 جون، 2022 کو ختم ہونے والے مالی سال کے لیے بیرونی محاسب (ایکسٹرنل آڈیٹرز) کی تقرری اور ان کے معاوضے کا تعین۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر میسرز طارق عبدالغنی مقبول اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے تقرری سفارش کی ہے، جنہوں نے تقرری کے لیے اپنی خد مات پیش کی ہیں۔

دیگر امور

اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض۔

بحکم بورڈ آف ڈائریکٹرز

اجوعلیٰ

کمپنی سیکرٹری

لاہور

7 اکتوبر 2021ء

نوٹس:

- 1 کمپنی کی شیئرز انسٹریٹنگس مورخہ 22 اکتوبر 2021ء سے 28 اکتوبر 2021ء (بشمول دونوں ایام) تک بند رہیں گی۔ اس اجلاس میں شرکت کرنے اور ووٹ کے استحقاق کے لیے صرف وہی شیئرز انسٹریٹنگس بروقت تصور ہوں گے جو میسرز حمید مجید ایسوسی ایٹس پرائیویٹ لمیٹڈ، HM، ہاؤس، 7 بیک سکویئر، لاہور میں مورخہ 21 اکتوبر 2021ء بروز جمعرات، کاروباری اوقات کے اختتام تک موصول ہوں گے۔
- 2 تمام اراکین اس اجلاس میں شرکت اور ووٹ کا حق استعمال کرنے کے مجاز ہیں۔ اس اجلاس میں شرکت کرنے کا اہل رکن کسی دوسرے رکن کو اجلاس میں شرکت کرنے اور ووٹ کا حق استعمال کرنے کے لیے پراکسی نامزد کر سکتا ہے۔ صرف وہی پراکسیز موثر ہوں گی جو کمپنی کے رجسٹرڈ پتے پر اجلاس کے منعقد ہونے سے 48 گھنٹے پہلے تک موصول ہوں گی۔
- 3 اجلاس ہذا کے لیے پراکسی فارم ممبران کو نوٹس کے ہمراہ ارسال کر دیے گئے ہیں۔ مزید برآں اس فارم کی نقول کمپنی کے رجسٹرڈ آفس سے دفتری اوقات کے دوران حاصل کی جاسکتی ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ www.escortsbank.net سے بھی حاصل کیا جاسکتا ہے۔
- 4 تمام اراکین سے التماس ہے کہ اگر انہوں نے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی مہیا نہیں کی تو وہ جمع کروادیں اور اپنے پتے میں کسی بھی قسم کی تبدیلی سے حمید مجید ایسوسی ایٹس پرائیویٹ لمیٹڈ کو فوری آگاہ کر دیں۔
- 5 سی ڈی سی کھاتا داران سیورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان کے سرکل نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی مندرجہ ذیل ہدایات پر عمل کریں:

اجلاس میں شرکت کے لیے

- I کارپوریٹ ادارے کی صورت میں اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ مع نامزد شخص کے نمونہ دستخط (اگر پہلے فراہم نہیں کیے گئے) پیش کیے جائیں گے۔
- II افرادی صورت میں، اکاؤنٹ ہولڈر، جس کی رجسٹریشن کی تفصیلات سی ڈی سی قواعد کے مطابق اپ لوڈ کر دی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔

پراکسی کے تقرر کے لیے

- I انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُس کی رجسٹریشن کی تفصیلات ریگولیشنز کے مطابق اپ لوڈ کر دی گئی ہیں، مندرجہ بالا ہدایات کے مطابق پراکسی جمع کرائے گا۔
- II پراکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور کارڈ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
- III رکن اور پراکسی کے کارڈ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ منسلک ہونی چاہئیں۔
- IV پراکسی کو اجلاس کے موقع پر اصل کارڈ کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- V کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا نائٹنارنامہ مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) پراکسی فارم کے ہمراہ منسلک کرنے ہوں گے۔

کھاتوں کی موجودگی

کمپنی نے اپنی ویب سائٹ www.escortsbank.net پر آڈیٹرز کی رپورٹ، ڈائریکٹرز کی رپورٹ اور چیئر پرسن کی ریویو رپورٹ کے ساتھ 30 جون 2021 کو ختم ہونے والے سال کے آڈٹ شدہ سالانہ مالیاتی کھاتے رکھ دیئے ہیں۔

کھاتوں کی بذریعہ ڈیجیٹل سٹوریج ترسیل

ایس ای سی پی کے نوٹیفکیشن ایس آر او 2016 / 471 (I) مورخہ 31 مئی 2016 کے مطابق 28 اکتوبر 2019 کو ہونے والی کمپنی کی 24 ویں سالانہ جنرل میٹنگ کے دوران ایس کارڈس انویسٹمنٹ بینک لمیٹڈ کے ممبران نے سالانہ رپورٹس کی ترسیل ہارڈ کاپیوں کی بجائے بذریعہ USB / DVD / CD کے لیے اپنی رضامندی دی تھی جس میں آڈٹ شدہ سالانہ مالی کھاتے اور اس میں موجود دیگر معلومات کے لیے اپنی رضامندی دے چکے ہیں۔ وہ شیئرز ہولڈرز جو مذکورہ دستاویزات کی ہارڈ کاپیاں حاصل کرنا چاہتے ہیں وہ کمپنی سیکرٹری / شیئرز رجسٹرار کو درخواست بھیج سکتے ہیں، درخواست فارم کمپنی کی ویب سائٹ www.escortsbank.net پر دستیاب ہے اور کمپنی مذکورہ دستاویزات شیئرز ہولڈرز کو ایک ہفتے کے اندر مفت فراہم کرے گی۔

مالیاتی گوشوارے بذریعہ ای میل

بروئے 2014 SRO 787(T) مورخہ 8 ستمبر 2014ء سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے دی گئی ہدایات کی پیروی میں وہ شیئرز ہولڈرز جو آئندہ سالانہ مالیاتی گوشوارے ڈاک کے ذریعے وصول کرنے کی بجائے بذریعہ ای میل وصول کرنے کے خواہشمند ہوں ان سے التماس ہے کہ اپنی فارل رضامندی مع اپنا کارڈ ای میل ایڈریس شیئرز رجسٹرار درخواست فارم جو کمپنی کی ویب سائٹ یعنی www.escortbank.net پر دستیاب ہے کو باقاعدہ دستخط کر کے CNIC کی کاپی کے ساتھ جو کمپنی کے شیئرز رجسٹرار میسرز جمید جمید ایسوسی ایٹس پرائیویٹ لمیٹڈ کو بھیجوا دیں۔

CHAIRPERSON REVIEW REPORT

EIBL mission is to evolve as a top market player in the financial sector which is the prime objective, however, the COVID-19 pandemic has created unprecedented recessionary impact on global and national GDP in 2020. Though certain measures and actions adopted by Government in a bid to combat the adverse impacts have accommodated the financial conditions to maintain the stability at aggregate position. However, these measures stimulate the recovery phase in an uneven and unsynchronized pattern especially for developing and emerging setups / companies.

Usually, the company's performance is measured through the financial performance but we have considered certain factors on the operational parameters which in comparison to competitors are worth appreciable. Optimum utilization of resources has enabled the Company to keep intact the veracity of the business portfolio and its recovery ratios. Though it has risen a bit to its previous record but its due to implementation and interpretation of newly adopted Expected Credit Loss (ECL) Model.

The Company continued employing the conservative approach during the pandemic year and started to gain momentum while keeping the credit and other financial risks under close monitoring. This period has changed the way of doing business across the globe and same was experienced in Pakistan. Likewise, we have temporarily suspended further expansion of branch network to existing level and emphasized on strengthening on digitalization of field force.

Digitalization would enable us to cope with ever changing challenges posed by dynamic business environment. Competitive advantage is likely to attain with implementation of proposed ERP solution which would uphold your Company position and make it a leading Investment Bank soon. Insha Allah!

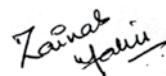
The Board maintained critical oversight over this project, and expeditiously granted necessary approvals, wherever required. The Audit Committee of the Board ensured excellent financial discipline and transparency in financial reporting.

The year also witnessed changes on the Board due to separation of two Board members whereas one of the casual vacancies was filled by the Board. I take this opportunity to express my gratitude to the directors who left the Board during the year for their efforts and contributions to the Board's activities during their respective tenures and wish them well on their future endeavors. I welcome the newly joined director and hope that the Board will greatly benefit from their rich and diversified experience, leading to outstanding governance of the Company.

Subsequent to reporting date, two potential acquirers have shown their interest in acquisition of the Company and in accordance with relevant laws and regulations have served public announcement of intention which legal and regulatory requirements are being complied with akin to regulations.

My sincere gratitude to my fellow board members, business partners, consultants and management, who devoted their valuable time in the development, monitoring and reviewing of the policies and business model to ensure business operations are running smoothly.

Regards and Thanks!



Zainab Malik
Chairperson

چیئر پرسن کا پیغام

ای آئی بی ایل کا مشن مالیاتی شعبے میں ایک اعلیٰ مارکیٹ پلیسر کے طور پر تیار ہونا ہے جو کہ بنیادی مقصد ہے، تاہم، کوویڈ 19 وبائی امراض نے 2020 میں عالمی اور قومی جی ڈی پی پر غیر معمولی کساد بازاری کے اثرات پیدا کیے ہیں۔ منفی اثرات سے نمٹنے کے لیے حکومت نے مجموعی حالات میں استحکام کو برقرار رکھنے کے لیے مالی حالات کو ایڈجسٹ کیا ہے۔ تاہم، یہ اقدامات خاص طور پر ترقی پذیر اور ابھرتے ہوئے سیٹ اپ/کمپنیوں کے لیے ایک ناہموار اور غیر مطابقت پذیر پیرن میں بحالی کے مرحلے کی حوصلہ افزائی کرتے ہیں۔

عام طور پر، کمپنی کی کارکردگی مالی کارکردگی کے ذریعے ناپی جاتی ہے لیکن ہم نے آپریشنل پیرامیٹرز پر بعض عوامل پر غور کیا ہے جو ریفیوں کے مقابلے میں قابل تعریف ہیں۔ وسائل کے زیادہ سے زیادہ استعمال نے کمپنی کو کاروباری پورٹ فولیو کی درستگی اور اس کی وصولی کے تناسب کو برقرار رکھنے کے قابل بنایا ہے۔ اگرچہ یہ اپنے سابقہ ریکارڈ سے تھوڑا سا بڑھ گیا ہے لیکن اس کی وجہ سے اپنائے گئے متوقع کریڈٹ نقصان (ECL) ماڈل کے نفاذ اور تشریح ہے۔

کمپنی نے وبائی سال کے دوران قدامت پندار انداز کا استعمال جاری رکھا اور کریڈٹ اور دیگر مالی خطرات کو قریب سے مانٹیر کرتے ہوئے رفتار حاصل کرنا شروع کر دی۔ اس عرصے نے دنیا بھر میں کاروبار کرنے کا طریقہ بدل دیا ہے اور پاکستان میں بھی ایسا ہی تجربہ ہوا۔ اسی طرح، ہم نے عارضی طور پر برانچ نیٹ ورک کی موجودہ توسیع کو مزید معطل کر دیا ہے اور فیلڈ فورس کی ڈیکھتھاپا نزییشن کو مضبوط بنانے پر زور دیا ہے۔

ڈیکھتھاپا نزییشن ہمیں متحرک کاروباری ماحول سے درپیش بدلتے ہوئے چیلنجوں سے نمٹنے کے قابل بنائے گی۔ مجوزہ ERP کے نفاذ سے مسابقتی فائدہ حاصل ہونے کا امکان ہے جو آپ کی کمپنی کی پوزیشن کو برقرار رکھے گا اور اسے جلد ہی ایک اہم سرمایہ کاری بینک بنا دے گا۔ انشاء اللہ!

بورڈ نے اس پروجیکٹ پر تنقیدی نگرانی کو برقرار رکھا اور جہاں بھی ضرورت ہوئی فوری طور پر ضروری منظوری دے دی۔ بورڈ کی آڈٹ کمیٹی نے مالی رپورٹنگ میں بہترین مالی نظم و ضبط اور شفافیت کو یقینی بنایا۔

اس سال بورڈ کے دو ممبروں کی علیحدگی کی وجہ سے بورڈ میں تبدیلیاں بھی دیکھنے میں آئیں جبکہ ایک عبوری خالی آسامی کو بورڈ نے پُر کیا۔ میں اس موقع سے ان ڈائریکٹرز کا شکریہ ادا کرتی ہوں جنہوں نے سال کے دوران بورڈ کو ان کے متعلقہ دور کے دوران بورڈ کی سرگرمیوں میں معاونت فراہم کی اور ان کی مستقبل کے لیے نیک خواہشات کا اظہار کرتی ہوں۔ میں نئے شامل ہونے والے ڈائریکٹرز کا خیر مقدم کرتی ہوں اور امید کرتی ہوں کہ بورڈ ان کے بھرپور اور متنوع تجربے سے بہت فائدہ اٹھائے گا، جس سے کمپنی کی گورننس بہتر ہوگی۔

رپورٹنگ کی تاریخ کے بعد، دو ممکنہ حصول کنندگان نے کمپنی کے حصول میں اپنی دلچسپی ظاہر کی ہے اور متعلقہ قوانین اور قواعد و ضوابط کے مطابق عوامی نیت کا اعلان کیا ہے جو کہ قانونی اور ریگولیٹری تقاضوں کو قواعد و ضوابط کے مطابق مانا جا رہا ہے۔

میں اپنے ساتھی بورڈ ممبران، کاروباری شراکت داروں، کونسلٹنٹس اور بیجمنٹ کا تہہ دل سے شکریہ ادا کرتی ہوں، جنہوں نے اپنا قیمتی وقت پالیسیوں اور کاروباری ماڈل کی ترقی، نگرانی اور جائزہ لینے میں صرف کیا تاکہ یہ یقینی بنایا جاسکے کہ کاروباری کام آسانی سے چل رہے ہیں۔

بہت شکریہ

Zainab
Fazal

نائب ملک

چیئر پرسن

DIRECTOR'S REPORT

The Board of Directors of Escorts Investment Bank Limited (“Company”) is pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended June 30, 2021 and independent auditor’s report thereon.

ECONOMY REVIEW

The business environment remained quite challenging as the world economy continued facing uncertainty amidst successive waves of Covid-19 and related socio-economic impacts. Continuity of operations was ensured by mitigating the spread of the pandemic at all locations through meticulous planning and execution of standard operational strategies.

Despite myriad of challenges, Pakistan’s economy is moving progressively on inclusive and sustainable growth path on the back of various measures. It is admitted fact that Pandemics like COVID-19 are once-in-a-century event that devastate global economies. Pakistan did much better in coping up with the pandemic compared to many countries.

Government took several important policy decisions: monetary and fiscal measures, smart lockdowns, rapid vaccination etc. National Command and Operating Centre (NCOC) as a single organization was made responsible to take key decisions in collaboration with the provinces. Situation was put under control due to government’s timely decision making, numbers of daily COVID-19 cases are presently on declining trend.

During FY2021, SBP maintained the policy rate at seven (7) percent. This prove to be appropriate to cope the increasing rate of inflation however, it is pertinent to mention that inflation was primarily

due to deficit in supply side of commodities. Cognizant of this fact, the Government is focused to facilitate the entrepreneurs and financial inclusion of young people so they can play a constructive role in enhancing Pakistan’s position.

BUSINESS AND OPERATION REVIEW

Along with disruption in supply side, pandemic had adversely impacted the small and medium enterprises which posted severe concerns over the liquidity capacities. Your Company was fully aware of this fact and had strategized to minimize the associated risks. Company focused on appropriate mix of target segment which eventually lowered the credit risk to lower possible level. Moreover, another challenge was faced during this pandemic where deferrals and rescheduling were allowed by the regulators disrupting the expected cash flows. However, your Company acted prudently and managed the liquidity and credit related issues simultaneously.

Despite the challenged circumstances, your Company continued to write new business cautiously and meanwhile keep on strengthen it on digital end. We have hired IT professional firm to analyze the operational processes and develop mechanism to enhance the productivity. This includes development of be-spoke Customer Relationship Management (CRM) software which would increase the productivity by manifold.

FINANCIAL RESULTS

The management focus on improving operational efficiencies and quality of services being offered to our widespread customer base was continued during the year. Though steep reduction in treasury rates have been significant to topline of the Company but your Company has improved on financing side. The financial results are as under:

Description	Year ended	
	2021	2020
Revenue	112,324,942	147,437,531
Mark-up on Deposits	-	(4,124,397)
Loss before taxation	(77,430,594)	(28,214,581)
Taxation	(4,051,262)	(1,695,166)
Loss after taxation	(81,481,856)	(29,909,747)

Total revenue has increased immensely since acquisition and this is primarily due to increase in finance portfolio and mark-up income on investments. However, during COVID-19, Government significantly reduced interest rates which could not be capitalized during the second half of FY 2021.



Markup expense has decrease significantly due to issuance of right issue in previous year and repayment to outgoing group sponsors loan during the period. Hence, the Company reports no markup expense as compared to Rs. 16.77 million of corresponding previous year.



INTENTION TO ACQUIRE MAJORITY SHAREHOLDING OF THE COMPANY

Subsequent to reporting date, an intention to take over the majority shareholding of the company was received from an individual Mr. Syed Sabur Rehaman and M/s Dallas Capital. Company is in process of complying all the requisite legal and regulatory requirements as laid under relevant laws. Upon receipt of intention, we have informed all the stakeholders and we will continue to update our worthy members according to the progress of transaction.

FUTURE OUTLOOK

The Company is currently focused on existing business model along with transformation of the business models into Shariah compliant products. This would enhance market penetration capacity of your Company. It is also expected that major part of digitization would complete in coming year and would also contribute towards achieving better economies.

The initiatives to encourage housing projects in Pakistan and adoption of various policies to provide stimulus for growth of this sector would prove to be an essential determinant to flourish the housing finance sector as well. It is expected that House finance and Micro finance would play

its pivotal role in coming times subject to positive conclusion of this pandemic.

DIVIDEND

No dividend has been recommended by the board of directors for the year June 30, 2021 (2020: Nil)

CREDIT RATING

PACRA has maintained the Company's long term credit rating to "A-" and short-term credit rating to "A2" with stable outlook on April 18, 2021.

RISK MANAGEMENT

The Board of directors is responsible for establishing the risk management framework, which includes company risk management policies, review, approvals and continued monitoring to ensure that an appropriate sound and effective internal control and compliance system is in place all the time. An independent outsourced internal audit team is assisting the Audit committee, who is reportable to the Board of Directors.

The Securities and Exchange Commission of Pakistan ("SECP") instructed to curtail the deposit taking permission of the Company from only individuals, sole proprietors, provident /gratuity funds, trusts and charitable institutions. In this

DIRECTOR'S REPORT

respect, Company has initiated legal remedies and is confident of withdrawal of this restriction/ curtailment as your Company has been compliant with all the rules / regulations and commitments made thereon.

Compliance Risk

Year 2020-2021 witness continuation of last year policy, where the strict actions were taken by the government agencies against money laundering activities, modified taxations reforms, strict compliance in relation to AML policies. However, in the last quarter of the year due to the Corona pandemic the pace of the implementation remained slightly slow. Your company is in the phase of development; therefore, the management is expecting that the aforementioned factors may not materially impact on the business model of the company, in coming years.

DIRECTORS DECLARATION

In compliance with the provisions of the listing regulations of the Pakistan Stock Exchange, the Board members are pleased to confirm that:

a) these financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;

- b) proper books of accounts of the Company have been maintained;
- c) appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- e) the system of internal controls is sound in design and has been effectively implemented and efficiently monitored;
- f) there are no significant doubts upon the Company's ability to continue as going concern;
- g) there is no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- i) the statement of Code of Ethics and Business Practices has been developed and acknowledged by the directors and employees of the Company.

BOARD OF DIRECTORS

The board of directors held five (05) meetings during the year. Attendance by each Director was as follows:

Director Name	Meetings Attended
Ms. Zainab Malik	5
Mr. Naveed Amin	5
Mr. Karim Hatim (Resigned)	4
Syed Aamir Ahsan (Resigned)	5
Syed Tahir Nawazish	5
Mr. Tahir Saeed Effendi	5
Khawaja Nadeem Abbas	5

Leave of absence was granted to Director who could not attend the Board meeting.

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Director Name	Meetings Attended
Mr. Karim Hatim (Resigned)	3
Ms. Zainab Malik	4
Syed Aamir Ahsan (Resigned)	4
Mr. Tahir Saeed Effendi	4

The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Director Name	Meetings Attended
Syed Aamir Ahsan (Resigned)	1
Mr. Naveed Amin	1
Mr. Tahir Saeed Effendi	1
Khawaja Nadeem Abbas	1

COMPOSITION OF BOARD

Subsequent to year end June 30, 2021, two (2) Independent Directors had resigned. The Board has filled in one of the casual vacancies by co-opting Mr. Muhammad Mubashir Hussain in place of Mr. Karim Hatim and is in process of filling in the other. On this particular date the board consists of seven (7) directors with following composition:

Independent Directors	2
Other Non-Executive Directors	4
Executive Directors	1
Total number of directors	7

Concomitantly, the Audit Committee and Human Resource and Remuneration Committee of the Board were also reconstituted as Mr. Karim Hatim was Chairman of Audit Committee and Syed Aamir Ahsan was Chairman of HRR Committee with latter also being a member of Audit Committee.

Audit Committee (reconstituted)

1.	Mr. Muhammad Mubashir Hussain	Chairman
2.	Ms. Zainab Malik	Member
3.	Khawaja Nadeem Abbas	Member

Human Resource and Remuneration Committee (reconstituted)

1.	Mr. Muhammad Mubashir Hussain	Chairman
2.	Ms. Zainab Malik	Member
3.	Mr. Naveed Amin	Member
4.	Syed Tahir Nawazish	Member

DIRECTOR'S REPORT

AUDITORS

The external Auditors M/s Crowe Hussain Chaudhary & Co. Chartered Accountants, retired during the period. Deliberation on selection of auditors for the fiscal year 2022 was carried and the board of Directors endorses the recommendation of the Audit Committee for the appointment of M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants as an External auditor of the Company for the year ending on June 30, 2022.

PATTERN OF SHAREHOLDINGS

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2021 is included in the report.

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customer for their valued support. The Board would also like to thank and acknowledge the efforts of the sponsors for their continued support which will continue to enhance our capabilities to achieve our objectives.

For and on behalf of the Board



Naveed Amin
Chief Executive / Director



Syed Tahir Nawazish
Director

ڈائریکٹرز کی رپورٹ

ایسکارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کے پڑتال شدہ مالیاتی گوشوارے مع آزاد ڈیٹرز کی رپورٹ پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

کاروباری ماحول کافی مشکل رہا کیونکہ عالمی معیشت کو ویڈ 19 کی مسلسل لہروں اور اس کے سماجی و معاشی اثرات کے باعث غیر یقینی صورتحال کا سامنا کرتی رہی۔ احتیاطی منصوبہ بندی اور معیاری آپریشنل حکمت عملی پر عمل درآمد کے ذریعے تمام مقامات پر وبائی امراض کے پھیلاؤ کو کم کر کے آپریشنز کے تسلسل کو یقینی بنایا گیا۔ متعدد چیلنجوں کے باوجود، پاکستان کی معیشت مختلف اقدامات کی مدد سے ترقی کی جانب گامزن ہے۔ یہ تسلیم شدہ حقیقت ہے کہ COVID-19 جیسی وبائی امراض صدی میں ایک بار ہوتے ہیں جو عالمی معیشتوں کو تباہ کر دیتے ہیں۔ پاکستان نے کئی ممالک کے مقابلے میں وبائی مرض سے نمٹنے میں بہت بہتر کارکردگی کا مظاہرہ کیا۔

حکومت نے کئی اہم پالیسی فیصلے کیے: مالیاتی اور مالی اقدامات، سمارٹ لاک ڈاؤن، تیزی سے ڈیکلینیشن وغیرہ نیشنل کمانڈ اور آپرینگ سینٹر (این سی او سی) کو ایک تنظیم کی حیثیت سے صوبوں کے تعاون سے اہم فیصلے کرنے کا مددگار بنایا گیا۔ حکومت کی بروقت فیصلہ سازی کی وجہ سے حالات کنٹرول میں رہے، روزانہ کی بنیاد پر COVID-19 کیسز کی تعداد میں کمی کا رجحان ہے۔ مالی سال 2021 کے دوران، اسٹیٹ بینک نے پالیسی کی شرح کو سات (7) فیصد پر برقرار رکھا۔ یہ افراط زر کی بڑھتی ہوئی شرح سے نمٹنے کے لیے موزوں طریقہ کار ہے، تاہم یہ بات قابل ذکر ہے کہ افراط زر بنیادی طور پر اشیاء کی سپلائی میں کمی کی وجہ سے تھا۔ اس حقیقت سے آگاہ حکومت کی توجہ کاروباریوں اور نوجوانوں کی مالی شمولیت پر مرکوز ہے تاکہ وہ پاکستان کی حالت بہتر کرنے میں اپنا تعمیری کردار ادا کر سکیں۔

کاروبار اور آپریشن کا جائزہ

سپلائی میں رکاوٹ کے ساتھ، وبائی بیماری نے چھوٹے اور درمیانے درجے کے کاروباری اداروں پر منفی اثر ڈالا جس نے لیکویڈیٹی کی صلاحیتوں کو شدید متاثر کیا۔ آپ کی کمپنی اس حقیقت سے پوری طرح واقف تھی اور اس نے متعلقہ خطرات کو کم سے کم کرنے کی حکمت عملی بنائی۔ کمپنی نے ٹارگٹ سیکشن کے مناسب مرکب پر توجہ مرکوز کی جس نے بالآخر کریڈٹ رسک کو کمزور کر دیا۔ مزید یہ کہ اس وبائی مرض کے دوران ایک اور چیلنج کا سامنا کرنا پڑا کہ ریگولیٹرز نے قرضہ جاتی کی ادائیگی میں تاخیر اور ری شیڈولنگ کی اجازت دی جس سے ممکنہ کمیشن کی آمد میں تاخیر ہوئی۔ تاہم، آپ کی کمپنی نے بھجھداری سے کام لیا اور بیک وقت لیکویڈیٹی اور کریڈٹ سے متعلق مسائل کے حل کا انتظام کیا۔ مشکل حالات کے باوجود، آپ کی کمپنی نے نیا کاروبار احتیاط سے جاری رکھا اور دریں اثنا اپنے آپریشنز ڈیجیٹل کرنے پر توجہ مرکوز کی۔ ہم نے آئی ٹی پروفیشنل فرم کو آپریشنل عمل کا تجربہ کرنے اور پیداواری صلاحیت بڑھانے کے لیے میکانزم تیار کرنے کے لیے رکھا ہے۔ اس میں بی سپوک کسٹمر ریلیشن شپ مینجمنٹ (سی آر ایم) سافٹ ویئر کی تیاری شامل ہے جس سے پیداواری عمل میں کمی گنا اضافہ ہوگا۔

مالیاتی نتائج

اس سال بھی اپنے وسیع کسٹمر بیس کو خدمات کی فراہمی کے معیار کو بہتر بنانے پر توجہ مرکوز رہی۔ اگرچہ ریڈری ریش میں زبردست کمی کمپنی کی ٹاپ لائن کے لیے اہم رہی ہے لیکن آپ کی کمپنی نے فنانسنگ بہتر کر لی ہے۔ مالی نتائج درج ذیل ہیں:

Year ended		تفصیلات
2021	2020	
112,324,942	147,437,531	آمدنی
-	(4,124,397)	مارک اپ
(77,430,594)	(28,214,581)	خسارہ قبل از ٹیکس
(4,051,262)	(1,695,166)	ٹیکس
(81,481,856)	(29,909,747)	خسارہ بعد از ٹیکس

<p>حصول کے بعد سے کل آمدنی میں بے پناہ اضافہ ہوا ہے اور اس کی بنیادی وجہ فنانس پورٹ فولیو میں اضافہ اور سرمایہ کاری پر مارک اپ آمدنی ہے۔ تاہم، COVID-19 کے دوران، حکومت نے شرح سود میں نمایاں کمی کی جسے مالی سال 2021 کی دوسری ششماہی کے دوران کیپٹلایزیشن نہیں کیا جا سکا۔</p>	
<p>مارک اپ کے اخراجات میں نمایاں کمی آئی ہے کیونکہ پچھلے سال میں رائٹ ایٹو جاری کیا گیا تھا اور اس مدت کے دوران باہر جانے والے گروپ اسپانسرز کے قرض کی ادائیگی کی گئی تھی۔ لہذا، اس مدت کے دوران مارک اپ اخراجات کی مد میں کوئی خرچ نہیں ہوا جو کہ پچھلے سال 16.77 ملین روپے تھا۔</p>	

کمپنی کی اکثریتی شیئر ہولڈنگ کو حاصل کرنے کا ارادہ۔

رپورٹنگ کی تاریخ کے بعد، کمپنی کی اکثریت حصص کے حصول کا ارادہ ایک فرد جناب سید صبور رحمان اور میسرز ڈی اے کیپٹل سے موصول ہوا ہے۔ کمپنی متعلقہ قوانین کے تحت تمام مطلوبہ قانونی اور ریگولیٹری تقاضوں کو پورا کرنے کے عمل میں ہے۔ ارادے کی وصولی کے بعد، ہم نے تمام اسٹیک ہولڈرز کو مطلع کر دیا ہے اور ہم اپنے قابل اراکین کو لین دین کی پیش رفت کے مطابق مطلع کرتے رہیں گے۔

مستقبل کا منظر نامہ

کمپنی کی توجہ فی الحال موجودہ کاروباری ماڈل کو شرعی تقاضوں کے مطابق مصنوعات میں تبدیل کرنے پر مرکوز ہے۔ یہ آپ کی کمپنی کی مارکیٹ میں دخول کی صلاحیت کو بڑھادے گا۔ یہ توقع بھی کی جاتی ہے کہ ڈیٹا کیپٹلایزیشن کا بڑا حصہ آنے والے سال میں مکمل ہو جائے گا اور بہتر معیشتوں کے حصول میں بھی حصہ ڈالے گا۔ پاکستان میں ہاؤسنگ منصوبوں کی حوصلہ افزائی اور محرک پالیسی سازی جیسے عوامل اس شعبے کی ترقی میں فیصلہ گن کردار ادا کریں گے۔ توقع کی جارہی ہے کہ ہاؤس فنانس اور مائیکرو فنانس کا آنے والے وقت میں اہم کردار ہوگا بشرطیکہ اس موڈی و با سے جان بچھوٹ جائے۔

منافع منقسمہ

30 جون 2021 کے لئے بورڈ آف ڈائریکٹرز کی جانب سے کوئی منافع منقسمہ تجویز نہ کیا گیا ہے (2020: صفر)

کریڈٹ ریٹنگ

پیکرا 18 اپریل 2021 کو مستحکم امکانات کے ساتھ کمپنی کی طویل مدتی کریڈٹ ریٹنگ کو "A" اور قلیل مدتی کریڈٹ ریٹنگ کو "A2" برقرار رکھا ہے۔

رسک مینجمنٹ

بورڈ آف ڈائریکٹرز رسک مینجمنٹ فریم ورک کے نفاذ کا ذمہ دار ہے، جس میں کمپنی کی رسک مینجمنٹ کی پالیسیاں، جائزہ، منظوری اور جاری نگرانی شامل ہے تاکہ یہ یقینی بنایا جاسکے کہ ہر وقت مناسب موزوں اور موثر اندرونی کنٹرول اور تعمیل کا نظام موجود ہے۔ آؤٹ سورس کی گئی ایک آزاد داخلی آڈٹ ٹیم آڈٹ کمیٹی کی مدد کر رہی ہے، جو بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") نے کمپنی کو افرا، واحد ملکیتی اداروں، پروویڈنٹس/گریجویٹ فنڈز، ٹرسٹ اور خیراتی اداروں سے ڈپازٹ لینے کی اجازت ختم کر دی ہے۔ جس کے کمپنی پر معمولی اثرات مرتب ہوئے ہیں۔ اس سلسلے میں، کمپنی نے قانونی چارہ جوئی کا آغاز کر دیا ہے اور کمپنی اس پابندی کے خاتمے کے لیے پُر امید ہے کیونکہ آپ کی کمپنی تمام اصول و ضوابط پر سختی سے عمل پیرا ہے۔

تعمیلی خدشات

سال 2020-2021 میں گذشتہ سال کی پالیسی کے تسلسل کا مشاہدہ کیا گیا، جہاں سرکاری اداروں کی جانب سے منی لائڈنگ کی سرگرمیوں، ٹیکسوں میں اصلاحی ترامیم، اے ایم ایل پالیسیوں کے سلسلے میں سخت تعمیل اور سخت کارروائیاں عمل میں آئیں۔ تاہم، کورونا وائرس کی بیماری کے سبب سال کی آخری سہ ماہی میں عمل درآمد کی رفتار قدرے سست رہی۔ آپ کی کمپنی ترقی کے مرحلے میں ہے۔ لہذا، انتظامیہ متوقع کرتی ہے کہ مذکورہ عوامل آئندہ سالوں میں کمپنی کے کاروباری ماڈل پر زیادہ اثر انداز نہیں ہوں گے۔

ڈائریکٹرز کا اعلامیہ

پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے قواعد کی تعمیل میں بورڈ آراکین ازراہ مسرت توثیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کاروباری امور، آپریشنز سے حاصل نتائج، یکیش فلو اور ایکویٹی میں تبدیلی کو واضح انداز میں پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات مناسب فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کا اطلاق کیا گیا ہے۔
- داخلی ضبط کا ایک مربوط نظام قائم ہے اور اس کا مؤثر اطلاق اور نگرانی کی جاتی ہے۔
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی نمایاں ابہام موجود نہ ہے۔
- لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی رکاوٹ نہ ہے۔
- واجب الادا ڈیکسیز اور دیگر حکومتی لیویز سے متعلق معلومات کھاتوں کے متعلقہ نوٹس میں بیان کی گئی ہیں۔
- خطابہ اخلاق اور کاروباری عمل داری کا بیان تیار کیا گیا ہے اور کمپنی کے ملازمین اور ڈائریکٹرز اس کو تسلیم کرتے ہیں۔

بورڈ آف ڈائریکٹرز

سال بھر میں بورڈ کے پانچ (5) اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	اجلاس میں حاضری
محترمہ مدینہ ملک	5
جناب نوید امین	5
جناب کریم حاتم - مستعفی	4
سید عامر احسن - مستعفی	5
سید طاہر نواز ش	5
جناب طاہر سعید آفندی	5
خواجہ ندیم عباس	5

ایکشن کے بعد آڈٹ کمیٹی کا قیام دوبارہ عمل میں لایا گیا جو درج ذیل ہے:

جناب کریم حاتم	چیئر مین
محترمہ مدینہ ملک	رکن
سید عامر احسن	رکن
جناب طاہر سعید آفندی	رکن

آڈٹ کمیٹی کے سال کے دوران چار (04) اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری مندرجہ ذیل ہے۔

نام ڈائریکٹر	اجلاس میں حاضری
جناب کریم حاتم - مستعفی	3
محترمہ مدینہ ملک	4
جناب طاہر سعید آفندی	4
سید عامر احسن - مستعفی	4

ایچ آر آر کمیٹی کے سال میں 11 اجلاس ہوا۔ ارکان کی حاضری درج ذیل ہے:

نام ڈائریکٹر	اجلاس میں حاضری
سید عامر احسن - مستعفی	1
جناب نوید امین	1
جناب طاہر سعید آفندی	1
خواجہ ندیم عباس	1

بورڈ کی ترکیب

30 جون 2021 کے اختتام کے بعد دو (2) آزاد ڈائریکٹرز نے استعفیٰ دے دیا تھا۔ بورڈ نے مسٹر کریم حاتم کی جگہ جناب محمد مبشر حسین کو شریک کر کے عبوری خالی آسامیوں میں سے ایک کو پُر کیا ہے اور دوسری کو پُر کا عمل جاری ہے۔ اس خاص تاریخ پر بورڈ سات (7) ڈائریکٹرز پر مشتمل ہے جس کی کمپوزیشن مندرجہ ذیل ہے۔

2	آزاد ڈائریکٹرز
4	دیگر نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹرز
7	کل تعداد ڈائریکٹرز

اس کے ساتھ ساتھ، بورڈ کی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریویژن کمیٹی کو بھی دوبارہ تشکیل دیا گیا کیونکہ مسٹر کریم حاتم آڈٹ کمیٹی کے چیئر مین تھے اور سید عامر احسن ایچ آر آڈٹ کمیٹی کے چیئر مین تھے اور بعد میں آڈٹ کمیٹی کے رکن بھی تھے۔

آڈٹ کمیٹی (دوبارہ تشکیل دی گئی)

- 1- جناب محمد مبشر حسین چیئر مین۔
- 2- محترمہ زینب ملک ممبر۔
- 3- خواجہ ندیم عباس ممبر۔

انسانی وسائل اور معاوضہ کمیٹی (تشکیل نو)

- 1- جناب محمد مبشر حسین چیئر مین
- 2- محترمہ زینب ملک ممبر
- 3- جناب نوید امین ممبر
- 4- سید طاہر نواز ش ممبر

آڈیٹرز

بیرونی آڈیٹرز میسرز کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اس مدت کے دوران ریٹائر ہوئے۔ مالی سال 2022 کے لیے آڈیٹرز کے انتخاب پر غور کیا گیا اور بورڈ آف ڈائریکٹرز نے میسرز طارق عبدالغنی متبول اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی برائے مالی سال جو 30 جون، 2022 کو ختم ہو رہا ہے۔ بطور کمپنی کے بیرونی آڈیٹرز کے طور پر تقرری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کی۔

شیر ہولڈنگ کی وضع

30 جون 2021 کو کمپنی کی شیر ہولڈنگ کی وضع اور دیگر معلومات اس رپورٹ میں شامل ہیں۔

اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کا شکریہ ادا کرتے ہیں۔ اپنے مقاصد کے حصول کے لیے بورڈ سپانسرز کی مسلسل حمایت کا مشکور ہے جو ہماری صلاحیتوں میں مسلسل اضافہ کرتی رہے گی۔

مخائب / برائے بورڈ آف ڈائریکٹرز



سید طاہر نواز
ڈائریکٹر



نوید امین
چیف ایگزیکٹو ڈائریکٹر



POVERTY ALLEVIATION

Contribution towards community development

Despite the wide variety of microfinance providers in Pakistan, the lending methodology is surprisingly uniform. Funds have been provided through the group lending methodology by the majority of MFB's across the country. The group lending methodology uses both the community group and the solidarity group approach.

The difference between the Community approach and the solidarity group approach mainly is that the community approach focuses on reducing the transaction costs of loan screening, disbursement and repayment whereas the solidarity group approach is more focused on using the group for guarantee purposes and ensuring that the social collateral becomes operative. While the community organization also exerts peer pressure for the return of the loan the collateral aspects of the community group are not always as well defined as the solidarity group model.

Keeping in view the above, we focused on community development by providing the microloans to those poor business owners who are not already overburdened through finances by other microfinance banks & NGO's. Our focus is to support the families for the growth of their existing businesses.

WOMEN EMPOWERMENT

55.8% of women as compared to 41% of men are living below the poverty line. The status of women in Pakistan differs considerably across classes, regions, and the rural/urban divide due to the uneven socioeconomic development and the impact of tribal and feudal social formations on the lives of women in Pakistan. Gender Concerns International reports that the overall women's rights in Pakistan have improved with the increasing number of women are educated and literate. However, women in Pakistan face discrimination as a result of the patriarchal (male-dominated) society of Pakistan.

Access to money and women empowerment is important factors that contribute to the development of a country. For this purpose, our focus is to provide micro-loans to women who support their families by doing work at their homes. Our branches are focusing on providing loans to women who engaged in any business activity and supporting their families.

We have tapped a significant market this far and are currently designing new products and services that will cater to our goal i.e. "provision of greater economic opportunities for the underprivileged especially women".

FINANCIAL HIGHLIGHTS

Last Six Years of Escorts Bank At a Glance

	2021	2020	2019	2018	2017	2016
FINANCIAL DATA						
Share Capital	1,356,000	1,356,000	441,000	441,000	441,000	441,000
Reserves	(536,259)	(454,332)	(410,241)	(360,942)	(207,582)	(89,402)
Shareholders' Equity	819,740	901,668	30,758	80,057	233,418	351,598
Subordinated Loan	-	137,694	787,694	787,694	154,470	-
Deposits	41,250	51,250	189,711	282,940	447,726	698,358
Borrowings	-	-	68,894	-	-	-
Current Liabilities	151,360	343,828	651,854	650,940	515,653	599,375
Total Liabilities	217,087	456,681	1,385,322	1,419,940	733,835	879,911
Tangible Fixed Assets	211,745	203,228	127,138	115,572	119,228	129,324
Intangible Fixed Assets	5,808	4,049	6,073	76	114	171
Financing - Net of Provision	270,455	241,133	112,782	10,420	126,325	191,807
Net Investment in Finance Lease	2,166	2,166	2,166	2,166	2,166	2,241
Investments & Placements	149,810	227,213	230,504	279,159	80,575	220,487
Current Assets	464,560	709,710	933,529	1,221,108	404,282	485,045
Total Assets	1,056,582	1,376,345	1,435,024	1,519,940	987,948	1,252,983
OPERATING RESULTS						
Total Revenue	112,325	147,438	112,796	31,809	35,564	73,626
Markup Expense	-	16,766	39,946	58,572	67,672	123,803
Operating & Other Expenses	174,593	158,886	122,357	206,397	61,449	61,263
Provision against Non-Performing Loans	15,162	143	-	21,158	-	-
Profit/(loss) before Tax	(77,431)	(28,215)	(49,508)	(233,161)	(94,333)	(111,439)
Profit/(loss) after Tax	(81,482)	(29,910)	(50,296)	(154,409)	(119,269)	(112,615)
FINANCIAL RATIOS						
Earnings/(loss)/ per Share (Rs.)	(0.60)	(0.22)	(1.14)	(3.50)	(2.70)	(2.55)
Net Asset Value per Share (Rs.)	6.05	6.65	0.70	1.82	5.29	7.97
Market Value per Share (Rs.)	10.09	7.80	12.15	32.39	15.45	2.50
High	14.20	14.09	33.49	52.54	21.99	3.89
Low	7.55	6.17	11.94	13.46	2.32	1.41
Profit/(loss) Before Tax Ratio (%)	(68.93)	(19.14)	(43.89)	(733.00)	(265.25)	(151.36)
Revenue to Expenses (Times)	0.64	0.84	0.69	0.12	0.27	0.40
Total Assets Turnover Ratio (Times)	0.11	0.11	0.08	0.02	0.04	0.06
Advances to Deposits (Times)	6.56	4.71	0.59	0.04	0.28	0.27
Borrowings to Equity (Times)	-	-	2.24	-	-	-
Total Liabilities to Equity (Times)	0.26	0.51	45.04	17.74	3.14	2.50
Current Ratio	3.07	2.06	1.43	1.88	0.78	0.81

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: Escorts Investment Bank Limited
Year ending: June 30, 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are seven (07) as per the following:

a)	Male:	6
b)	Female:	1

2. The composition of board is as follows:

i)	Independent Directors	Mr. Karim Hatim* Syed Aamir Ahsan**
ii)	Non-executive Directors	Ms. Zainab Malik Syed Tahir Nawazish Mr. Tahir Saeed Effendi Khawaja Nadeem Abbas
iii)	Executive Director	Mr. Naveed Amin
iv)	Female Director	Ms. Zainab Malik

* Mr. Muhammad Mubashir Hussain (appointed in place of Mr. Karim Hatim who resigned on August 02, 2021).

** Syed Aamir Ahsan (resigned on August 04, 2021 and the Board is currently in process of filling in the casual vacancy created by his resignation).

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;

8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training Program for the following Directors;
 1. Mr. Naveed Amin
 2. Mr. Tahir Saeed Effendi
 3. Khawaja Nadeem Abbas
 4. Syed Aamir Ahsan

Following Director meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence is exempt from Directors' training program:

1. Syed Tahir Nawazish

10. The Board has approved appointment of Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

*The Company has not appointed Head of Internal Audit as the Company has outsourced its function to a professional service firm as referred in SOC 15.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

a.	Audit Committee	
	Mr. Karim Hatim Syed Aamir Ahsan Mr. Tahir Saeed Effendi Ms. Zainab Malik Khawaja Nadeem Abbas	Chairman* Member** Member Member Member

* Muhammad Mubashir Hussain was appointed Chairman of Audit Committee in place of Mr. Karim Hatim who resigned from the Board on August 02, 2021.

** Syed Aamir Ahsan who was the member of audit committee resigned from the Board on August 04, 2021.

b.	HR and Remuneration Committee	
	Syed Aamir Ahsan Mr. Tahir Saeed Effendi Ms. Zainab Malik Khawaja Nadeem Abbas Mr. Naveed Amin	Chairman* Member** Member Member Member

* Muhammad Mubashir Hussain was appointed Chairman of HR and Remuneration Committee in place of Mr. Syed Aamir Ahsan who resigned from the Board on August 04, 2021.

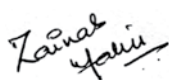
** Mr. Tahir Saeed Effendi ceases to be a member after reconstitution of Committee subsequent to year end.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees were as per following:
 - a. Audit Committee* (Quarter 1: Zero Quarter 2: Two Quarter 3: One Quarter 4: One)
 - b. HR and Remuneration Committee (One meeting in financial year)

*Audit Committee meeting was not held in first quarter of the financial year.

15. The board has outsourced the internal audit function to Riaz Ahmad and Company who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except regulation 27(2) as the audit committee meeting was not held in first quarter of the financial year;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non Mandatory Requirement	Reg. No	Explanation
Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
Responsibilities of the Board and its members: Adoption of the corporate governance practices.	10 (1)	Non-mandatory provisions of the CCG Regulations are partially complied.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not constituted a Risk Management Committee ("RMC") and the Company's Head of Risk Department performs the requisite functions and appraises the board accordingly. The board shall constitute RMC in near future.
Composition of Internal Audit Function: The Company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under the Regulations, to act as coordinator between firm providing internal audit services and the Board.	31	The Board considers this post as redundant as the professional services firm has direct access to the Board.
Disclosure of significant policies on website: The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	35	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.



Ms. Zainab Malik
 Chairperson

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Escorts Investment Bank Limited ("the Company") for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.


The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1.	10	Head of Internal Audit was not appointed by the Company.
2.	14	Meeting of the Audit Committee was not held in the first quarter of the financial year.

Lahore
 Dated: 06 October 2021


CROWE HUSSAIN CHAUDHURY & CO.
 Chartered Accountants

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ESCORTS INVESTMENT BANK LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss, its comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	Adoption of ECL Model under IFRS 9 "Financial Instruments"	
	Refer notes 3.8, 9, 15 and note 18 to the financial statements. As at June 30, 2021, the Company's gross long term finances were Rs. 234.3 million and short term finances were 97.6 million	Our audit procedures included: <ul style="list-style-type: none"> Discussed the policies and procedures related to impairment of financial assets.

Sr. No.	Key audit matters	How the matter was addressed in our audit
	<p>against which allowance for expected credit losses amounting to Rs. 38.8 million and Rs. 22.2 million respectively has been recognized.</p> <p>The Company has early adopted ECL model of IFRS 9 as referred to in note 4 to the financial statements. The new standard requires the Company to make provision for financial assets using expected credit losses (ECL) model.</p> <p>We identified it as a key audit matter because it involves significant management judgment in assessing the amount likely to be received and corresponding estimates in determining the allowance of expected credit loss.</p>	<ul style="list-style-type: none"> • Obtained an understanding of and testing the design and implementation of management’s key internal controls relating to credit control, debt collection and making allowances for expected credit losses. • Agreed, on a sample basis, the balances used in management’s estimate of expected credit loss with the books of account of the Company. • Tested the assumptions and estimates made by management for the allowances of doubtful debts. • Evaluated that the allowance for doubtful debt is in accordance with the applicable financial reporting framework. • Evaluating the adequacy of disclosures made by the Company regarding this area.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on October 6, 2020.

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



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore

DATE: 06 October 2021

STATEMENT OF FINANCIAL POSITION

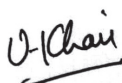
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current Assets			
Property and equipment	5	199,744,552	190,478,756
Intangible assets	6	5,808,453	4,048,592
Cards and rooms	7	12,000,000	12,750,000
Long term investments	8	24,905,000	126,250,000
Long term finances	9	144,266,486	134,322,408
Net investment in lease finances	10	-	-
Long term deposits	11	25,449,600	15,449,600
Deferred tax asset - net	12	179,847,449	183,336,579
		592,021,540	666,635,935
Current assets			
Current portion of non-current assets	13	53,341,114	51,038,121
Short term investments	14	124,904,649	100,963,800
Short term finances	15	75,013,965	57,939,457
Short term advances	16	5,066,280	6,186,898
Prepayments		1,532,939	759,639
Interest receivable	17	9,023,525	10,225,945
Other receivables	18	44,353,732	71,784,977
Tax refunds due from the government	19	113,045,918	124,148,444
Cash and bank balances	20	38,278,106	286,662,222
		464,560,228	709,709,503
TOTAL ASSETS		1,056,581,768	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	21	1,356,000,000	1,356,000,000
Capital reserves	22	158,401,746	159,746,746
Revenue reserve		(694,661,186)	(614,079,194)
Revaluation surplus on property and equipment	23	19,754,853	17,997,309
		839,495,413	919,664,861
LIABILITIES			
Non-current liabilities			
Long term finances - subordinated loans	24	-	-
Long term certificates of deposit	25	-	51,250,000
Lease liabilities	26	65,726,758	61,602,519
		65,726,758	112,852,519
Current liabilities			
Current portion of non-current liabilities	27	47,578,484	157,465,127
Accrued markup	28	-	13,142,620
Trade and other payables	29	99,747,906	155,138,276
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation	30	1,647,553	15,696,381
		151,359,597	343,828,058
Contingencies and commitments	31	-	-
TOTAL EQUITY AND LIABILITIES		1,056,581,768	1,376,345,438

The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairperson

STATEMENT OF PROFIT OR LOSS


FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
INCOME			
Profit on financing	32	73,542,080	51,770,437
Return on investments	33	14,268,229	44,501,722
Income from fee and commission	34	4,559,320	3,818,121
Profit on bank deposits		9,442,640	37,197,974
Other income	35	10,512,673	10,149,277
		112,324,942	147,437,531
EXPENSES			
Mark-up on certificates of deposit		-	4,124,397
Mark-up on borrowings from others		-	12,642,434
Administrative expenses	36	166,945,239	163,269,055
Finance cost	37	6,265,380	4,522,670
		173,210,619	184,558,556
Operating loss before provisions and taxation		(60,885,677)	(37,121,025)
Other operating expenses	38	(16,662,298)	(457,579)
Reversal of provision for doubtful finances		117,381	9,364,023
Loss before Taxation		(77,430,594)	(28,214,581)
Taxation - net	39	(4,051,262)	(1,695,166)
Net Loss for the Year		(81,481,856)	(29,909,747)
Loss per share - basic	40	(0.60)	(0.24)
Loss per share - diluted	40	(0.60)	(0.22)

The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairperson

STATEMENT OF COMPREHENSIVE INCOME

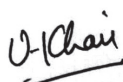
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
Net Loss for the Year	(81,481,856)	(29,909,747)
Other comprehensive loss:		
<i>Items that will not be reclassified to statement of profit or loss</i>		
Revaluation surplus on property and equipment	3,742,830	-
Related tax impact	(1,085,421)	-
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
(Loss) / profit on remeasurement of long term investments - net of tax	(2,095,000)	1,250,125
Loss on disposal of long term investments - reclassified to statement of profit or loss	750,000	-
Other comprehensive income for the year - net of tax	1,312,409	1,250,125
Total Comprehensive Loss for the Year	(80,169,447)	(28,659,622)

The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairperson

STATEMENT OF CHANGES IN EQUITY

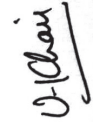
FOR THE YEAR ENDED 30 JUNE 2021

	Capital reserves		Revenue reserves		Revaluation surplus on property and equipment	Total
	Issued, subscribed and paid up capital	Statutory reserves	(Deficit)/ gain on revaluation of investments	Accumulated loss		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2019	441,000,000	158,496,746	(125)	(569,613,131)	18,944,536	48,828,026
Total comprehensive loss for the year						
Net loss for the year	-	-	-	(29,909,747)	-	(29,909,747)
Other comprehensive loss for the year	-	-	1,250,125	-	-	1,250,125
Total comprehensive loss for the year	-	-	1,250,125	(29,909,747)	-	(28,659,622)
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation on revalued asset for the year - net of tax	-	-	-	947,227	(947,227)	-
Transaction with owners:						
Issuance of ordinary shares	915,000,000	-	-	-	-	915,000,000
Transaction cost on issuance of ordinary shares	-	-	-	(15,503,543)	-	(15,503,543)
Balance as at June 30, 2020	1,356,000,000	158,496,746	1,250,000	(614,079,194)	17,997,309	919,664,861
Total comprehensive loss for the year						
Net loss for the year	-	-	-	(81,481,856)	-	(81,481,856)
Other comprehensive (loss) / gain for the year	-	-	(1,345,000)	-	2,657,409	1,312,409
Total comprehensive loss	-	-	(1,345,000)	(81,481,856)	2,657,409	(80,169,447)
Transfer from surplus on revaluation of property and equipment on account of incremental depreciation on revalued asset for the year - net of tax	-	-	-	899,864	(899,864)	-
Balance as at June 30, 2021	1,356,000,000	158,496,746	(95,000)	(694,661,186)	19,754,854	839,495,414

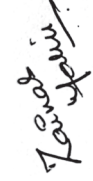
The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



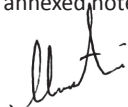
Chairperson

STATEMENT OF CASH FLOWS

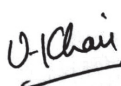
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(77,430,594)	(28,214,581)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	36	16,397,087	13,111,123
- Depreciation on right of use assets	36	7,140,576	4,881,226
- Amortization on intangible assets	6.1	1,349,396	2,023,993
- Recovery against provision for doubtful long term finances	9.3	(117,381)	(9,364,023)
- Interest on lease liabilities against right of use assets	37	5,799,956	4,335,130
- Finance cost	37	465,424	187,540
- Long outstanding liabilities written back	35	-	(7,537,099)
- Gain on investment in short term investments	33	(1,601,004)	-
- Loss on redemption of term finance certificate - reclassified to profit or loss	38	750,000	-
- Corporate membership of PMEX written off	38	750,000	-
- Waiver of interest payable by outgoing sponsors	35	(5,642,620)	-
- Allowance for expected credit losses:			
Long term finances - net	9.3 & 9.4	7,343,677	205,587
Short term finances	15.2 & 15.3	7,812,320	251,992
		40,447,431	8,095,469
		(36,983,163)	(20,119,112)
Decrease / (increase) in operating assets			
- Long term finances		(24,886,828)	(92,816,365)
- Short term finances		(19,473,367)	(26,628,099)
- Short term advances		1,120,617	311,792
- Interest receivable		1,202,420	(3,782,417)
- Other receivables		27,431,245	(3,436,383)
- Long term deposits		(10,000,000)	(15,025,000)
- Prepayments		(773,300)	494,368
Increase / (decrease) in operating liabilities			
- Long term certificates of deposit		(25,000,000)	(123,461,224)
- Accrued markup		(7,500,000)	(22,869,862)
- Trade and other payables		(58,480,832)	53,831,465
		(116,360,045)	(233,381,725)
Net cash used in operations			
		(153,343,208)	(253,500,837)
Finance cost paid		(465,424)	(187,540)
Taxation - net		(4,593,855)	(12,192,397)
Net cash used in operating activities			
		(158,402,487)	(265,880,774)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(25,662,123)	(29,711,395)
Proceeds from sale of property and equipment		3,946,166	-
Capital expenditure on intangible assets		(3,109,257)	-
Disposal of long term investments		99,250,000	-
Short term investments - net		(19,249,383)	4,540,335
Net cash generated from / (used in) investing activities			
		55,175,403	(25,171,060)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		-	915,000,000
Payment of short term borrowings		-	(68,893,670)
Repayment of sub-ordinated loan - old sponsors - net		(137,694,382)	-
Payment of lease liabilities	26.1	(7,462,650)	(5,374,749)
Conversion of sub-ordinated loan into ordinary shares		-	(650,000,000)
Conversion of sponsors loan into ordinary shares		-	(176,000,000)
Share issue cost		-	(15,503,543)
Net cash used in financing activities			
		(145,157,032)	(771,962)
Net Decrease in Cash and Cash Equivalents During the Year			
		(248,384,116)	(291,823,796)
Cash and cash equivalents at the beginning of the year		286,662,222	578,486,018
Cash and Cash Equivalents at the End of the Year		38,278,106	286,662,222

The annexed notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairperson

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND ITS 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 May 15, 1995. The Company started its commercial operations on October 16, 1996 and is listed on the Pakistan Stock Exchange (Guarantee) 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, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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 4, 2021. The ratings denote an adequate capacity of timely payment of financial commitments.

The Company is a subsidiary of Bahria Town (Private) Limited (the parent company).

Subsequent to the reporting date, certain potential acquirers have shown their interest in acquisition of the Company and in accordance with provisions of the Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeover) Regulations, 2017, served public announcement of intention to acquire more than 50% of the issued and paid up share capital along with management control. Necessary legal and regulatory requirements are being complied with as and when applicable.

The registered office of the Company is situated at Alfalah Building, 1st Floor, Sector B, Bahria Town, Lahore. The branches are located as follows:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017; and

- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, and the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.2.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards, as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard:

Standard or Interpretation	Effective date (Periods beginning on or after)
IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2022 & January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2022
IAS 12 Income Taxes [Amendments]	January 1, 2023
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The Company will assess the impacts of these changes in the period of initial application once such changes become effective for the Company.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of property and equipment – Note 3.1 & 5
- Allowance for expected credit losses – Note 3.8, 9, 15 & 18
- Estimation of contingent liabilities - Note 3.22 & 31
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.15, 12, 30 & 39

However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes as indicated below in note 4.

3.1 Property and equipment

Property and equipment other than office premises are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Office premises are measured at the revalued amount less accumulated depreciation and impairment loss. Capital work in progress is stated at cost less impairment loss, if any.

Depreciation is charged so as to write off the cost or revalued amount of assets (other than capital work in progress) over their estimated useful lives, using the reducing balance method at rates specified in note 5 to the financial statements. Depreciation on addition to property and equipment is charged from the month when asset is available for use up to the month of its de-recognition.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other

income in the statement of profit or loss. In case of the derecognition of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit.

Useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property and equipment are provided in Note 48.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated assets are being kept at a token value of Rupee 1 each.

3.2 Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, at rates specified in note 5.2 to the financial statements.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

3.3 Intangible assets

Intangible assets represent computer software and are stated at cost less accumulated amortization and any identified impairment loss. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life are recognized as capital improvement and added to the original cost of the software.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the reducing balance method at the rates specified in note 6 to the financial statements. Amortization on addition is charged from the month when asset is available for use up to the month of its de-recognition.

The company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.4 Revaluation surplus

Any revaluation increase arising on the revaluation of office premises is recognized in other comprehensive income and presented as a separate component of equity as “Revaluation surplus on property and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of office premises is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property and equipment relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit / accumulated loss.

3.5 Cards and rooms

These are stated at cost less impairments, if any. The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

3.6 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit, except for goodwill (if any), pro rata with the carrying amounts of those assets. The increase in the carrying amounts is treated as reversal of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash with banks in current and deposit accounts.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Company measures debt instruments at FVOCI if the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments, listed equity investments which the Company had not irrevocably elected to classify at FVOCI and investments in mutual funds. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

IFRS 9 replaces the incurred loss model with expected credit loss with distinct approach. The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at amortized cost (other than trade receivables and contract assets) and FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company's debt instruments at FVOCI are graded in light of guidelines by the Good Credit Rating Agency. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 210 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, these are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Dividend income

Dividend income is recognized in profit or loss as other income when the Company's right to receive payment have been established; is probable that the economic benefits associated with the dividend will flow to the Company; and the amount of the dividend can be measured reliably.

3.9 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

a) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

3.10 Provisions

Provisions are recorded when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.11 Staff retirement benefits

a) Employees compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. As the component of liability involved is not material, the Company did not carry out actuarial valuation for the said liability.

b) Provident fund

The Company operates approved contributory provident fund for all permanent employees. Equal monthly contribution is made both by employees and the Company to the fund at 10% of basic salary. The Company's contributions are recognized as employee benefit expense when they are due. The fund is administrated by the Trustees.

3.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.13 Revenue recognition

- a) Return on finances provided, placements and government securities are recognized on time proportionate basis.
- b) Brokerage commission and other advisory fee are recognized when such services are provided.
- c) Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- d) Reversal of provision is recognized as per requirement of NBFC regulation.
- e) Dividend income is recognized when the right to receive payment is established.
- f) Income on bank deposits are recognized on accrual basis.
- g) Rental income on properties are recognized on accrual basis.
- h) Processing income is recognized when the right to receive payment is established.

3.14 Return on deposits and borrowings

Return on Certificates of Deposits (CODs) and borrowings are recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

3.15 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

a) Current taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, unused tax losses and credits.

In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

c) Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available so that part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

d) Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.16 Operating segment

The Company has structured its key business areas in two segments in a manner that each segment becomes a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Business segments

The Company's activities are broadly categorized into financing activities and investment activities.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

Financing activities

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

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.

3.17 Related party

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.18 Dividend distributions and appropriations

Dividend distribution and appropriations other than statutory appropriations are recognized as a liability in the period in which the dividends are approved by the the Board of Directors.

3.19 Borrowings cost

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset.

3.20 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the reporting date. Gains or losses on are charged to income.

3.21 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.22 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4. EFFECT OF CHANGES IN ACCOUNTING POLICIES

The Company has early adopted ECL model of IFRS 9 'Financial Instruments' during the year on finances and other financial assets which has replaced the NBFC Regulation for calculation of expected credit loss. Any change in presentation or classification of items has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. However, no restatement has been deemed necessary in this regard as there was no impact on corresponding figures.

The change in recognition of impairment of financial assets from the incurred loss model to the expected loss model will result in earlier recognition of expected losses in the profit and loss account.

The adoption has fundamentally changed the Company's accounting for impairment losses for financial assets. IFRS 9 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

	Note	2021 Rupees	2020 Rupees
5. PROPERTY AND EQUIPMENT			
Operating fixed assets - tangible	5.1	137,674,169	130,935,921
Right of use assets	5.2	59,695,011	59,490,915
Advances against purchase of computer equipment		2,375,372	51,920
		199,744,552	190,478,756

5.1 The following is a statement of operating fixed assets (tangible):

	Office Premises	Freehold Improvements	Leasehold Improvements	Office Furniture & Fixtures	Computer Equipments	Office Equipments	Owned Vehicles	Total
NET CARRYING VALUE BASIS								
Year Ended June 30, 2021								
Opening net book value	62,669,126	-	26,885,313	9,398,964	4,170,307	8,866,462	18,945,749	130,935,921
Additions	16,826,161	-	4,276,367	939,785	65,049	1,125,479	105,830	23,338,671
Derecognitions:								
Cost	-	-	4,642,265	451,552	-	-	-	5,093,817
Accumulated depreciation	-	-	(1,092,778)	(54,873)	-	-	-	(1,147,651)
Depreciation charge for the year (Note no. 5.1.1)	(3,413,892)	-	(5,804,783)	(995,248)	(1,406,959)	(969,450)	(3,806,755)	(16,397,087)
Revaluation surplus for the year	3,742,830	-	-	-	-	-	-	3,742,830
Closing net book value	79,824,225	-	21,807,410	8,946,822	2,828,397	9,022,491	15,244,824	137,674,169
Gross Carrying Value Basis								
Year Ended June 30, 2021								
Cost / revalued amount	148,470,120	6,712,240	57,461,437	14,854,722	15,626,737	15,370,454	24,515,139	283,010,849
Accumulated depreciation	(68,645,895)	(6,712,240)	(35,654,027)	(5,907,900)	(12,798,340)	(6,347,963)	(9,270,315)	(145,336,680)
Net book value	79,824,225	-	21,807,410	8,946,822	2,828,397	9,022,491	15,244,824	137,674,169
NET CARRYING VALUE BASIS								
Year Ended June 30, 2020								
Opening net book value	65,967,502	-	15,523,331	6,344,992	3,391,306	6,043,198	8,126,469	105,396,798
Additions	-	-	16,145,012	3,824,497	2,328,354	3,672,119	12,680,264	38,650,246
Depreciation charge for the year (Note no. 5.1.1)	(3,298,376)	-	(4,783,030)	(770,525)	(1,549,353)	(848,855)	(1,860,984)	(13,111,123)
Closing net book value	62,669,126	-	26,885,313	9,398,964	4,170,307	8,866,462	18,945,749	130,935,921
Gross Carrying Value Basis								
Year Ended June 30, 2020								
Cost / revalued amount	127,901,129	6,712,240	57,827,335	14,366,489	15,561,688	14,244,975	24,409,309	261,023,165
Accumulated depreciation	(65,232,003)	(6,712,240)	(30,942,022)	(4,967,525)	(11,391,381)	(5,378,513)	(5,463,560)	(130,087,244)
Net book value	62,669,126	-	26,885,313	9,398,964	4,170,307	8,866,462	18,945,749	130,935,921
Annual rates (%) of depreciation	5.00	20.00	20.00	10.00	33.33	10.00	20.00	

5.1.1 Depreciation charge for the year has been allocated to administrative expenses (Note 36).

5.1.2 Particulars of the Company's immovable property (i.e. office premises) are as follows:

Location	Total area (square feet)
Davis Road, Lahore	3315
Vogue Tower, Lahore	606

5.1.3 Had there been no revaluation, the carrying values of the office premises would have been Rs. 52 million (2020: Rs. 37.3 million)

5.1.4 The forced sale value of office premises has been assessed at Rs. 66.876 million.

5.1.5 The fair value measurements of the Company's office premises were performed by M/s Minhas Associates for Davis Road building as at June 28, 2021 and M/s Iqbal A. Nanjee & Co. (Private) Limited for Vogue Tower as at February 11, 2021, who are independent valuers not related to the Company.

	Note	2021 Rupees	2020 Rupees
5.2 Right-of-use assets			
Opening balance		59,490,915	-
Impact of adoption of IFRS 16		-	30,814,838
Additions	26	-	33,557,303
Depreciation	36	(7,140,576)	(4,881,226)
Adjustment relating to remeasurement of lease liability	26	7,344,672	-
		59,695,011	59,490,915
Depreciation rate		10% - 15%	10% - 15%

Right-of-use assets comprise office space taken for office operations. There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Company is committed. Leases have lease terms between 7 and 10 years.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Note	2021 Rupees	2020 Rupees
6. INTANGIBLE ASSETS			
Accounting software	6.1	2,699,198	4,048,592
Advance for ERP implementation		3,109,255	-
		5,808,453	4,048,592

	Note	2021 Rupees	2020 Rupees
6.1 Accounting software			
Net carrying value			
Opening balance		4,048,592	6,072,585
Less: Amortization charge for the year	36	1,349,396	2,023,993
		2,699,196	4,048,592
Gross carrying value			
Cost		10,735,744	10,735,744
Less: Accumulated Amortization		8,036,548	6,687,152
		2,699,196	4,048,592
Amortization rate per annum		33.33%	33.33%

Amortization charge for the year has been allocated to administrative expenses (Note 36).

	Note	2021 Rupees	2020 Rupees
7. CARDS AND ROOMS			
Corporate membership of Pakistan Mercantile Exchange Limited (PMEX)		750,000	750,000
Less: written off during the year	38	(750,000)	-
		-	750,000
Office rooms	7.1	12,000,000	12,000,000
		12,000,000	12,750,000

7.1 These represent two office rooms taken on sub-lease from Pakistan Stock Exchange Limited for a period of 99 years. The lease term shall expire latest by December 14, 2108.

	Note	2021 Rupees	2020 Rupees
8. LONG TERM INVESTMENTS			
Fair value through other comprehensive income (FVTOCI) - Quoted			
Term finance certificates:			
Cost	8.1	25,000,000	125,000,000
Changes in fair value	22	(95,000)	1,250,000
		24,905,000	126,250,000

- 8.1** This represents investment in Additional Tier - 1 TFCs of United Bank Limited bearing mark-up @ 3-months KIBOR (ask side) + 1.55% p.a. Fair values of these TFCs are determined by reference to published price quotations in an active market (fair value level 1).
- 8.2** During the year, the Company has sold certain TFCs. The fair value at the date of disposal was Rs. 99.883 million; resultant loss of Rs. 0.75 million carried in other comprehensive income was reclassified to profit or loss.

	Note	2021 Rupees	2020 Rupees
9. LONG TERM FINANCES			
Considered good	9.1	188,172,744	183,210,712
Considered doubtful	9.2	46,127,291	31,615,956
		234,300,035	214,826,668
Less: Allowance for expected credit losses	9.3	38,772,964	31,402,587
		195,527,071	183,424,081
Less: Current portion	13	51,175,129	48,872,136
Less: General provision for micro finance portfolio	9.4	85,456	229,537
		144,266,486	134,322,408
9.1 Considered good			
House finance - secured	9.1.1	171,081,488	136,862,253
Micro finance	9.1.2	17,091,256	45,959,398
Others - secured		-	389,061
		188,172,744	183,210,712

9.1.1 This represents amount disbursed to house finance customers at return rate ranging from 13.17% to 22.37% (2020: 13.98% to 22.42%) per annum for tenure of 2 to 20 years. These finances are secured to the extent disclosed in note 45.1 (a).

9.1.2 This represents amount disbursed to micro finance customers at return rate ranging from 38.50% to 45% (2020: 38.50% to 45%) per annum for tenure of 1 to 2 years. These finances are secured to the extent disclosed in note 45.1 (a).

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

	Note	2021 Rupees	2020 Rupees
9.3 Allowance for expected credit losses			
Opening balance		31,402,587	52,247,053
Charge for the year		7,487,758	84,390
Less: Reversal for the year		(117,381)	(9,364,023)
Less: Amount written off		-	(11,564,833)
		38,772,964	31,402,587

	Note	2021 Rupees	2020 Rupees
9.4 Particulars of general provision for micro finance portfolio			
Opening balance		229,537	108,340
(Reversal) / charge for the year		(144,081)	121,197
Closing balance	9.4.1	85,456	229,537

9.4.1 This represents provision accounted for in accordance with Regulation 25A 'Creation of General Provision against micro finance portfolio' of Non-Banking Finance Companies and Notified Entities Regulations, 2008 at 0.5% of outstanding micro finance portfolio.

	Note	2021 Rupees	2020 Rupees
10. NET INVESTMENT IN LEASE FINANCES			
Lease rental receivables	10.1	578,415	578,415
Add: Residual value		2,165,985	2,165,985
		2,744,400	2,744,400
Less: Unearned finance income		49,628	49,628
		2,694,772	2,694,772
Less: Allowance for expected credit losses		528,787	528,787
		2,165,985	2,165,985
Less: Current portion		2,165,985	2,165,985
		-	-

10.1 Leases made by the Company were for a period of three to five years. Security deposits obtained at the time of disbursement of lease facility ranged from 11% to 16% (2020: 11% to 16%). The rate of return ranged from 15% to 17% per annum (2020: 15% to 17% per annum) and penalty is charged in case of delayed payment.

As per Non-Banking Finance Companies and Notified Entities Regulations, 2008, the aggregate net exposure in finance leases against which provision is required amounted to Rs. 0.529 million (2020: Rs. 0.529 million) at the end of current year.

	Note	2021 Rupees	2020 Rupees
11. LONG TERM DEPOSITS			
Considered good			
Related party	11.1	25,000,000	15,000,000
Others		449,600	449,600
Considered doubtful			
Others		330,350	330,350
Less: Allowance for expected credit losses	11.2	330,350	330,350
		-	-
		25,449,600	15,449,600

- 11.1** This represents security deposit against leasehold branches located in Bahria Town all over Pakistan being leased by the holding company i.e. Bahria Town (Private) Limited. This security will be adjusted against future rental expenditures commencing from October 2021.

	Note	2021 Rupees	2020 Rupees
11.2 Allowance for expected credit losses			
Opening balance		330,350	330,350
Charge for the year		-	-
Closing balance		330,350	330,350
12. DEFERRED TAX ASSET - NET			
Deferred taxation comprises the following:			
Deferred tax asset on deductible temporary differences			
Cards and rooms		6,003,000	6,003,000
Long term finances (Provision for murabaha financing and others)		10,153,941	9,168,627
Long term deposits		-	95,802
Long term investments		27,550	-
Net investment in lease finance (Provision for doubtful leases)		153,348	153,348
Short term finances (Provision for doubtful finances)		6,536,019	4,401,623
Short term advances		-	4,060
Other receivables (Provision for doubtful receivables)		10,061,961	12,832,380
Lease liabilities		20,267,885	18,620,111
Tax losses		188,847,961	181,185,331
		242,051,665	232,464,282
Deferred tax liability on taxable temporary differences			
Property and equipment		(11,720,475)	(8,618,476)
Revaluation surplus on property and equipment		(8,068,884)	(7,351,014)
Intangible assets		(782,767)	-
Short term investment (unrealized gain on remeasurement)		(470,272)	-
Long term investments		-	(362,500)
Right of use assets		(17,311,553)	(17,252,365)
		(38,353,951)	(33,584,355)
Deferred tax asset not recognized during the year		203,697,714 (23,850,265)	198,879,927 (15,543,348)
	12.1	179,847,449	183,336,579

The Company has an aggregate amount of deferred tax assets of Rs. 179.847 million (2020: Rs. 183.337 million) which represents management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Company has prepared financial projections for future taxable profits, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as raise of deposits, growth in customer base, investment returns, potential provision against assets, interest rates and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. The management believes that it is probable that the Company will be able to achieve the profits and consequently, the deferred tax asset will be fully realized in future. Deferred tax asset not recognized during the year relate to partial business loss for the tax year 2016 which will expire in tax year 2022.

	Note	2021 Rupees	2020 Rupees
12.1 Movement in deferred tax asset - net			
Opening balance		183,336,579	182,949,684
Recognized in statement of profit or loss	39	(2,403,709)	386,895
Recognized in other comprehensive income arising on revaluation surplus		(1,085,421)	-
		179,847,449	183,336,579
13. CURRENT PORTION OF NON-CURRENT ASSETS			
Long term finances	9	51,175,129	48,872,136
Net investment in lease finance	10	2,165,985	2,165,985
		53,341,114	51,038,121
14. SHORT TERM INVESTMENTS			
Amortized cost			
Treasury bills			
Face value	14.1	15,000,000	95,700,000
Less: Discount		(126,677)	(325,488)
		14,873,323	95,374,512
Fair value through profit or loss (FVTPL)			
Mutual funds - 10,001,635.7646 (2020: Nil) units of Rs. 10.1335 each	14.2	101,351,576	-
Shares - others	14.3	8,679,750	5,589,288
		124,904,649	100,963,800

14.1 Encumbered and un-encumbered

Rupees

Treasury Bill - Face Value		
Held by Bank	Given as Collateral	Total

As at June 30, 2021	15,000,000	-	15,000,000
As at June 30, 2020	95,700,000	-	95,700,000

14.1.1 Investment in treasury bills is made for 3 months tenure and effectively yield @ 7.24% (2020: 7.90%) per annum.

14.2 This represents investments made in mutual funds named BMA Empress Cash Fund.

- 14.3** This represents investments in various listed companies' shares. Due to the changes in NBFC Regulations in 2008, the Company had to conclude its brokerage business under the Investment Finance Services License. The Company started the process of intimating its brokerage clients to close their accounts with the Company in compliance with these regulations. Most of the account holders have closed their accounts accordingly. Certain accounts could not be transferred/closed because of non receipt of response from the holders despite repeated reminders. The management has decided to record these in statement of financial position as an asset and a corresponding liability of the same amount. These shares are kept at fair value and the fair value gain or loss is parked in corresponding liabilities.

	Note	2021 Rupees	2020 Rupees
15. SHORT TERM FINANCES			
Other than related parties:			
Considered good	15.1	75,392,012	58,121,186
Considered doubtful		22,159,951	14,543,949
		97,551,963	72,665,135
Less: Allowance for expected credit losses	15.2	22,159,951	14,485,411
		75,392,012	58,179,724
Less: General provision for micro finance portfolio	15.3	378,047	240,267
		75,013,965	57,939,457

- 15.1** These included amount of Rs. Nil (2020: Rs. 10 million) financed against bill discounting to outgoing sponsors' which is settled during the year at the time of payment of old sponsors' subordinated loan (note 24).

	Note	2021 Rupees	2020 Rupees
15.2 Allowance for expected credit losses			
Opening balance		14,485,411	14,426,871
Charge for the year		7,674,540	58,540
Closing balance		22,159,951	14,485,411
15.3 Particulars of general provision for micro finance portfolio			
Opening balance		240,267	46,815
Charge for the year		137,780	193,452
Closing balance	15.3.1	378,047	240,267

- 15.3.1** This represents provision accounted for in accordance with Regulation 25A 'Creation of General Provision against micro finance portfolio' of Non Banking Finance Companies and Notified Entities Regulations, 2008 at 0.5% of outstanding micro finance portfolio.

- 15.4** These finances are secured to the extent disclosed in note 45.1 (a).

	Note	2021 Rupees	2020 Rupees
16. SHORT TERM ADVANCES			
Advances against salaries / expenses - considered good	16.1	643,503	1,481,474
Advances to consultants - considered good		4,422,777	4,705,424
		5,066,280	6,186,898
16.1 Movement in short term advances			
Opening balance		1,481,474	1,847,440
Adjusted during the year		(837,971)	(365,966)
Closing balance		643,503	1,481,474
17. INTEREST RECEIVABLE			
Interest from financing		8,636,030	8,074,082
Interest from deposits		-	46,110
Interest from long term investments		387,495	2,105,753
		9,023,525	10,225,945
18. OTHER RECEIVABLES			
Receivable from old sponsors' associated company	18.1	-	27,992,210
Receivable from clients	18.2	40,386,763	40,232,259
Sales tax - net		3,775,421	2,529,258
Others	18.3	191,548	1,031,250
		44,353,732	71,784,977
18.1 Particulars of receivable from old sponsors' associated company			
Essem Hotel Limited		-	18,228,790
Escorts Pakistan Limited		-	9,763,420
		-	27,992,210
18.1.1			
After acquisition by Bahria Town (Private) Limited, these entities ceased to be associated concerns of the Company and outstanding balances were settled during the year.			
	Note	2021 Rupees	2020 Rupees
18.2 Receivable from clients			
Considered good	18.2.1	40,386,763	40,232,259
Considered doubtful		28,953,437	28,953,437
Less: Allowance for expected credit losses	18.2.2	28,953,437	28,953,437
		-	-
		40,386,763	40,232,259

18.2.1 On February 4, 2017, Banking Court-1 Lahore, issued decree in favor of the Company for the recovery of Rs. 41,453,279 from M/s Khilji Traders against the Murabaha finance facility. The decree holder (the Company) was directed to let the court know the mode of execution of the decree and file particulars of the mortgaged property on March 16, 2017. The case was then delayed because of non appearance of the debtors on any further hearings. Property valuations were carried out by M/s Anderson Consulting and evaluation report was submitted in the Court on November 18, 2020 according to which the market value of the mortgaged property was Rs. 125,075,625. The Court has directed the auctioneer for submission of fresh schedule of auction.

	Note	2021 Rupees	2020 Rupees
18.2.2 Allowance for expected credit losses			
Opening balance		28,953,437	28,953,437
Charge for the year		-	-
Closing balance		28,953,437	28,953,437
18.3 Others			
Considered good		191,548	1,031,250
Considered doubtful		5,742,979	5,742,979
Less: Allowance for expected credit losses	18.3.1	5,742,979	5,742,979
		-	-
		191,548	1,031,250
18.3.1 Allowance for expected credit losses			
Opening balance		5,742,979	5,742,979
Charge for the year		-	-
Closing balance		5,742,979	5,742,979
19. TAX REFUNDS DUE FROM THE GOVERNMENT			
Opening balance		124,148,444	111,956,047
Payments made during the year		4,593,855	12,192,397
Adjustment against provision for taxation	30	(15,696,381)	-
		113,045,918	124,148,444
20. CASH AND BANK BALANCES			
Cash in hand		214,415	453,545
Cash with banks			
Current accounts with			
- State Bank of Pakistan		130,809	158,996
- Others		21,555,396	20,467,073
		21,686,205	20,626,069
Saving and deposit accounts	20.1	16,377,486	265,582,608
		38,278,106	286,662,222

20.1 Rate of return on saving accounts range from 5.50% to 6.50% (2020: 6.50% to 11.50%) per annum whereas on term deposit receipts (TDR's) profit rate ranges from 6.51% to 6.60% (2020: 6.60% to 13.25%) per annum.

20.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year.

20.3 Reconciliation of liabilities arising from financing activities

	Rupees			
	As at 30 June 2020	Non-cash changes (note 26.1)	Cash Flows	As at 30 June 2021
Subordinated loans	137,694,382	-	(137,694,382)	-
Lease liabilities	64,207,279	13,144,628	(7,462,650)	69,889,257
	201,901,661	13,144,628	(145,157,032)	69,889,257

21. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2021 No. of shares	2020 No. of shares		2021 Rupees	2020 Rupees
	133,500,000	133,500,000	Ordinary shares of Rs. 10 each fully paid in cash	1,335,000,000	1,335,000,000
	2,100,000	2,100,000	Ordinary shares of Rs. 10 each allotted as bonus shares	21,000,000	21,000,000
	135,600,000	135,600,000		1,356,000,000	1,356,000,000

21.1 Reconciliation between ordinary shares in issue at the beginning and end of the year is as follows:

	2021 Number of Shares	2020 Number of Shares
As at the beginning of the year	135,600,000	44,100,000
Issue of right shares	-	91,500,000
As at the end of the year	135,600,000	135,600,000

21.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	Note	2021 Rupees	2020 Rupees
22. Capital Reserves			
Statutory reserve	22.1	158,496,746	158,496,746
(Loss) / gain on revaluation of investments	8	(95,000)	1,250,000
		158,401,746	159,746,746

22.1 This represents special reserve created in compliance with Rule 2 of Part III of Prudential Regulations for Non-Banking Finance Companies issued by the Securities and Exchange Commission of Pakistan (SECP).

	Note	2021 Rupees	2020 Rupees
23. REVALUATION SURPLUS ON PROPERTY AND EQUIPMENT			
Opening balance		25,348,323	26,682,445
Surplus arising on revaluation during the year		3,742,830	-
Less: Incremental depreciation for the year		1,267,416	1,334,122
		27,823,737	25,348,323
Opening deferred tax liability		7,351,014	7,737,909
Add: Deferred tax liability on surplus arising during the year		1,085,421	-
Less: Related deferred tax on incremental depreciation		(367,551)	(386,895)
		8,068,884	7,351,014
		19,754,853	17,997,309

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property and equipment carried at revalued amount.

The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	2021 Rupees	2020 Rupees
24. LONG TERM FINANCES - SUBORDINATED LOANS			
Subordinated loans from others	24.1	-	137,694,382
Less: Current portion	27	-	(137,694,382)
		-	-

24.1 Sub-ordinated loan of outgoing sponsors and its associated undertakings was paid during the current year after approval of SECP.

	Note	2021 Rupees	2020 Rupees
25. LONG TERM CERTIFICATES OF DEPOSIT			
Others - unsecured			
- Individuals		21,250,000	46,250,000
- Others		20,000,000	20,000,000
	25.1	41,250,000	66,250,000
Less: current portion	27	41,250,000	15,000,000
		-	51,250,000

25.1 These certificate of deposits were issued under Profit and Loss Sharing scheme under which profit or loss will be calculated and paid annually. However, in case of loss, no loss will be transferred and will be adjusted against future profits.

These have been issued for term of 3 years commencing from May 15, 2019 and included certificates amounting to Rs. 10 million issued to the parent company, Bahria Town (Private) Limited, under Profit and Loss Sharing scheme. The same has been settled during the year.

	Note	2021 Rupees	2020 Rupees
26. LEASE LIABILITIES			
Lease liabilities	26.1	69,889,257	64,207,279
Less: Current portion	27	4,162,499	2,604,760
		65,726,758	61,602,519

26.1 Set out below are the carrying amounts of lease liabilities and the movements during the year:

Opening balance		64,207,279	-
Impact of adoption of IFRS 16		-	31,689,595
Additions	5.2	-	33,557,303
Interest on finance lease	37	5,799,956	4,335,130
Adjustment relating to remeasurement of lease liability	5.2	7,344,672	-
Payments		(7,462,650)	(5,374,749)
Closing balance		69,889,257	64,207,279

	Rupees		
	2021		
	Lease payments	Finance cost	Present value of lease liability
Not later than one year	8,737,415	4,574,916	4,162,499
Later than one year and not later than five years	55,439,833	15,187,891	40,251,942
Later than five years and above	29,811,174	4,336,358	25,474,816
	93,988,422	24,099,165	69,889,257

	Rupees		
	2020		
	Lease payments	Finance cost	Present value of lease liability
Not later than one year	8,416,214	5,811,454	2,604,760
Later than one year and not later than five years	51,863,156	23,663,544	28,199,612
Later than five years and above	38,417,184	5,014,277	33,402,907
	98,696,554	34,489,275	64,207,279

These represent lease liabilities against the rental agreement of Company branches. As a result the Company, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

26.2 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in	Note	2021 Rupees	2020 Rupees
Carrying amount of ROU assets	Property and equipment	5.2	59,695,011	59,490,915
Expense relating to short-term leases	Administrative expenses	36	561,330	363,000
Depreciation charge	Administrative expenses	36	7,140,576	4,881,226
Interest expense	Finance cost	37	5,799,956	4,335,130
		Note	2021 Rupees	2020 Rupees
27. CURRENT PORTION OF NON-CURRENT LIABILITIES				
Long term finances - subordinated loans		24	-	137,694,382
Long term certificates of deposit		25	41,250,000	15,000,000
Lease liabilities		26	4,162,499	2,604,760
Long term security deposits		10 & 27.1	2,165,985	2,165,985
			47,578,484	157,465,127

27.1 These represent interest free security deposits received on lease contracts and are adjustable at the expiry of the lease contracts. These security deposits have been utilized for business purposes.

	Note	2021 Rupees	2020 Rupees
28. ACCRUED MARKUP			
Accrued markup on unsecured borrowings	28.1 & 35	-	13,142,620

28.1 This represented payable to outgoing sponsors against their subordinated loans which has been settled during the year.

	Note	2021 Rupees	2020 Rupees
29. TRADE AND OTHER PAYABLES			
Customers' credit balances		4,447,550	4,447,550
Certificate of depositors - deceased, untraceable and others	29.1	36,647,272	79,901,419
Accrued expenses and other payables		58,228,440	70,551,623
Payable to employees provident fund		424,644	237,684
		99,747,906	155,138,276

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

	Note	2021 Rupees	2020 Rupees
30. PROVISION FOR TAXATION			
Opening balance		15,696,381	13,614,320
Add: Current tax charge for the year	39	1,647,553	2,082,061
Less: Adjusted with advance tax	19	(15,696,381)	-
		1,647,553	15,696,381

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

a) The Company's assessments till Assessment Year 2002-03, have been finalized except that the Income Tax department is in appeal before the Honorable Lahore High Court for Assessment Years 1997-98 and 1998-99 on following issues:

- i) status of company as "banking company" rather than "public limited company"; and
- ii) taxability of "dividend income" as separate block of income.

The Honorable High Court, vide its order dated March 15, 2021, has declined to exercise its jurisdiction and has decided the reference application against the applicant. The Company does not expect unfavorable outcome in this regard. Therefore, no provision has been made in these financial statements.

b) The Company has filed references before Honorable Lahore High Court on March 5, 2011 for Tax Year 2003 to 2006 on various matters against the consolidated order of the Appellate Tribunal Inland Revenue, Lahore. These are pending for adjudication and the Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.

c) For tax year 2009, tax department finalized an order U/S 161/205 of the Income Tax Ordinance, 2001. The Company filed an appeal against the said order in CIR(A) who has directed the assessing officer to look into the matter again. The case is pending for adjudication and the Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.

- d)** For tax year 2015, tax department finalized an order U/S 161/205 of the Income Tax Ordinance, 2001. As a result thereof, order dated June 22, 2021 was issued by creating tax demand of Rs. 16,083,906. The Company being aggrieved by the order filed an appeal before CIR(A) on June 22, 2021 which is pending for adjudication and the Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.
- e)** Tax department has filed references against the Company before Honorable Lahore High Court on April 22, 2016 for the Tax Years 2004, 2005 and 2006. The references are pending adjudication and the Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.
- f)** Tax department has filed reference against the Company before Honorable Lahore High Court on September 12, 2012 for the Tax Year 2008. The reference is pending adjudication and the Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.
- g)** Notices have been issued U/S 161/205 of the Income Tax Ordinance, 2001 in respect of tax years 2014 and 2016 to 2020. The Company is in process of making compliance to such notices. Therefore, no provision has been made in these financial statements.
- h)** Sindh Revenue board has initiated the proceedings by issuing notice u/s 52(1) of the Sindh Sales tax on Services Act, 2011 for the scrutiny of Sindh sales tax returns and records for tax years 2012, 2013 and 2014 on January 22, 2018 and February 12, 2018, which was duly complied by the Company on February 7, 2018 and March 9, 2018 and subsequently no further notice was received nor any order was passed in this regard. The Company expects no unfavorable outcome in this regard. Therefore, no provision has been made in these financial statements.
- i)** For tax year 2015, income tax return has been amended by Assistant / Deputy Commissioner (A/DCIR) vide order dated January 31, 2019 u/s 122(5) by creating a tax demand of Rs. 2,786,906. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who vide Order No. 53 dated June 26, 2019 quashed the demand but confirmed the additions of certain expenditures. The Company has filed an appeal before Appellate Tribunal Inland Revenue on August 29, 2019 against the aforesaid additions and same is pending for adjudication. The Company expects favorable outcome in this regard. Therefore, no provision has been made in these financial statements.
- j)** The Company filed a recovery suit on November 8, 1999 against M/s Faran Maize Industries (Private) Limited in the Honorable Banking Court No. VII, Lahore which was decreed in favor of the Company for a decree amount of Rs. 15.43 million. The property under mortgage has already been sold to settle the liability. However, M/s Faran Maize Industries (Private) Limited has filed objections on auction schedule which is pending for arguments.
- k)** The Company has filed a recovery suit against Genertech Pakistan Limited before Honorable Banking Court No. 3, Lahore dated September 6, 2006 for the recovery of Rs. 19.56 million. The case was decreed in favor of the bank with decree amount of Rs. 18.46 million. Currently, the case is pending at the stage of auction of property, 126 Kanals and 8 Marlas situated at Mauza Mahal, District Kasur as the Genertech Pakistan Limited has filed objection petition against the auction. The case is pending for submission of auction report.
- l)** Securities and Exchange Commission of Pakistan (SECP) curtailed the deposit taking permission to the Company to raise deposits from individuals, sole proprietors, provident/gratuity funds, trusts, charitable institutions and Section 42 companies. A Constitutional Writ Petition No. 12675/2020 is filed on February 19, 2020 by the Company before the Honorable Lahore High Court, Lahore against the order of SECP. The matter is pending before High Court for adjudication. The Company does not expect unfavorable outcome in this regard. Therefore, no provision has been made in these financial statements.

- m) 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. The Company filed an appeal before Appellate Tribunal SRB on November 13, 2020 against the aforementioned order. The Appellate Tribunal SRB, vide its order dated May 5, 2021, has set aside the orders to the extent of recovery of Rs. 293,947 and has directed the Assistant Commissioner SRB to calculate the input tax and intimate the same to the Company. The Company expects a favorable outcome in this regard. Therefore, no provision has been made in these financial statements.

	Note	2021 Rupees	2020 Rupees
31.2 Commitments			
ERP implementation		4,071,174	-
House finance customer		4,200,000	12,300,000
		8,271,174	12,300,000
32. PROFIT ON FINANCING			
Long term		44,740,031	39,230,628
Short term		28,802,049	12,539,809
		73,542,080	51,770,437
33. RETURN ON INVESTMENTS			
Amortized cost			
- Treasury bills		4,321,284	26,992,271
Fair value through profit or loss			
- Mutual funds		1,601,004	-
Fair value through other comprehensive income			
- Term finance certificates		8,345,941	17,509,451
		14,268,229	44,501,722

34. INCOME FROM FEE AND COMMISSION

This represents processing income received from house finance, micro finance and corporate finance customers.

	Note	2021 Rupees	2020 Rupees
35. OTHER INCOME			
Income from financial assets			
Late payment charges		661,893	5,608
Broken period income		211,135	106,488
Early payment / termination charges		3,312,748	25,082
Miscellaneous income		349,226	
Reversal of general provision on microfinance portfolio	9.4 & 15.3	6,301	-
Waiver of interest payable by outgoing sponsors	28	5,642,620	-
		10,183,923	137,178
Income from non - financial assets			
Rental income		328,750	2,475,000
Long outstanding liabilities written back		-	7,537,099
		10,512,673	10,149,277
36. ADMINISTRATIVE EXPENSES			
Salaries, allowance and other benefits	36.1	87,332,035	74,241,041
Directors' meeting fee and others		3,600,000	3,591,400
Staff training and welfare		1,581,054	3,560,250
Advertisement and business promotion		327,820	7,155,708
Rent, rates and taxes		970,626	774,022
Utilities		5,967,190	5,402,271
Communication charges		4,759,775	3,201,674
Travelling and vehicle maintenance		4,489,565	6,759,522
Repairs and maintenance		3,815,878	5,002,576
Entertainment		1,035,858	1,310,079
Fees and subscriptions		1,756,929	2,907,814
Legal and professional charges		18,515,505	22,811,361
Auditors' remuneration	36.2	1,950,270	1,950,270
Printing and stationery		1,768,423	2,639,917
Insurance	36.3	4,187,252	1,939,861
Miscellaneous expenses		-	4,947
Depreciation on property and equipment	5.1.1	16,397,087	13,111,123
Depreciation on right of use assets	5.2	7,140,576	4,881,226
Amortization on intangible assets	6.1	1,349,396	2,023,993
		166,945,239	163,269,055

36.1 This includes contribution to provident fund amounting to Rs. 2.236 million (2020: Rs. 1.700 million) made by the Company in the approved provident fund trust.

		2021 Rupees	2020 Rupees
36.2 Auditors' remuneration			
Statutory audit fee		1,334,000	1,334,000
Half year review		378,270	378,270
Certification fee		87,000	87,000
Out of pocket expenses		151,000	151,000
		1,950,270	1,950,270
36.3	This includes insurance expense amounting to Rs. 0.121 million (2020: Rs. 0.123 million) for covering any losses that may be incurred as a result of employee's fraud or gross negligence in accordance with rule - 9 "Insurance Coverage" of NBFC (Establishment and Regulation) Rules, 2003.		
	Note	2021 Rupees	2020 Rupees
37. FINANCE COST			
Interest on lease liability against right-of-use assets	26	5,799,956	4,335,130
Bank and other charges		465,424	187,540
		6,265,380	4,522,670
38. OTHER OPERATING EXPENSES			
General provision on microfinance portfolio	9.4 & 15.3	-	314,649
Loss on redemption of term finance certificate - reclassified to profit or loss		750,000	-
Corporate membership of PMEX written off	7	750,000	-
Allowance for expected credit losses	9.3 & 15.2	15,162,298	142,930
		16,662,298	457,579
39. TAXATION - NET			
Taxation			
- Current tax	30	1,647,553	2,082,061
- Deferred tax	12	2,403,709	(386,895)
		4,051,262	1,695,166

Income tax return has been filed to the income tax authorities up to and including tax year 2020 under the provisions of the Income Tax Ordinance, 2001.

Provision for taxation has been made in accordance with section 113 of the Income Tax Ordinance, 2001 ("the Ordinance"); therefore, there is no relation between aggregate tax expense and accounting profit. Accordingly, no numerical reconciliation has been presented.

		2021	2020
40. LOSS PER SHARE - BASIC AND DILUTED			
Loss per share - basic			
Net loss for the year	Rupees	(81,481,856)	(29,909,747)
Weighted average number of ordinary shares	Number	135,600,000	124,068,493
Loss per share - basic	Rupees	(0.60)	(0.24)
Loss per share - diluted			
Net loss, net of effects of dilutive potential ordinary shares	Rupees	(81,481,856)	(29,909,747)
Weighted average number of ordinary shares, net of effects of dilutive potential ordinary shares	Number	135,600,000	135,600,000
Loss per share - dilutive	Rupees	(0.60)	(0.22)
Reconciliation of basic loss to diluted loss			
Net loss for the year	Rupees	(81,481,856)	(29,909,747)
Adjustment for right share options	Rupees	-	-
Net loss, net of effects of dilutive potential ordinary shares	Rupees	(81,481,856)	(29,909,747)
Reconciliation of weighted average number of shares outstanding			
Weighted average number of shares outstanding used to calculate basic loss per share	Number	135,600,000	124,068,493
Adjustment for right share options	Number	-	11,531,507
Weighted average number of shares outstanding used to calculate diluted loss per share	Number	135,600,000	135,600,000

No figure for diluted earnings per share has been computed for the year as the Company has not issued any instrument which would dilute its earnings per share.

41. SEGMENTAL ANALYSIS

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

41.1 Financing activities

House finance activities

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

Micro finance activities

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

Term and other finance activities

Term finance activities include providing long-term financing facilities to corporate entities and individuals. Other operations that do not fall into the above referred activities are reported under 'Term and other finance activities'.

41.2 Investment activities

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

	Rupees				
	For the year ended 30 June 2021				
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	27,325,003	46,217,077	-	-	73,542,080
Income from fee and commission	569,120	3,990,200	-	-	4,559,320
Return on investments	-	-	-	23,710,869	23,710,869
Total income of segment	27,894,123	50,207,277	-	23,710,869	101,812,269
Finance costs	175,930	5,903,280	-	186,170	6,265,380
Other expenses	602,523	14,559,775	-	1,500,000	16,662,298
Depreciation expense	3,811,774	3,987,747	-	-	7,799,521
Administrative expenses	58,820,883	92,616,176	-	7,708,659	159,145,718
Other income	2,837,714	570,968	-	-	3,408,682
Segment result	(32,679,273)	(66,288,733)	-	14,316,040	(84,651,966)
Other income - unallocated					7,221,372
Loss before taxation					<u>(77,430,594)</u>
Capital expenditure	3,067,313	3,330,683	-	-	
Segment assets	187,625,757	183,496,135	2,165,985	162,885,089	536,172,966
Cash and bank balances					38,278,106
Unallocated assets					482,130,696
					<u>1,056,581,768</u>
Segment liabilities	18,264,582	82,504,827	208,397	17,366,394	118,344,200
Unallocated liabilities					98,742,155
Equity					839,495,413
					<u>1,056,581,768</u>

Rupees

	For the year ended 30 June 2020				
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	20,859,771	30,121,361	789,305	-	51,770,437
Income from fee and commission	823,921	2,994,200	-	-	3,818,121
Return on investments	-	-	-	81,699,696	81,699,696
Total income of segment	21,683,692	33,115,561	789,305	81,699,696	137,288,254
Finance costs	3,080,674	6,483,705	282,605	11,442,517	21,289,501
Administrative expenses	63,948,944	84,921,929	5,388,370	9,009,812	163,269,055
Segment result	(45,345,926)	(58,290,073)	(4,881,670)	61,247,367	(47,270,302)
Other income					19,055,721
Loss before taxation					(28,214,581)
Segment assets	152,866,123	193,293,644	12,555,046	497,757,198	856,472,011
Cash and bank balances					286,662,222
Unallocated assets					233,211,205
					1,376,345,438
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
					1,376,345,438
Capital expenditure	6,533,768	18,724,401	-	-	
Depreciation	3,544,270	2,617,809	-	-	

All non-current assets of the Company are located in Pakistan.

42. TRANSACTIONS WITH RELATED PARTIES

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

Transactions during the year

Related party	Relationship	Nature of transaction	2021 Rupees	2020 Rupees
Bahria Town (Private) Limited	Holding Company	Purchase of vehicle at fair value	-	12,478,500
		Sale of fixed assets at fair value	4,617,014	-
		Payment made for vehicle purchased	12,478,500	-
		Payment made on account of trade and other payable	1,085,850	-
		Certificate of deposit matured	10,000,000	-
		Security deposit against branches	10,000,000	15,000,000
		Utilities and maintenance expense	3,579,638	3,558,664
		Shares issued against subordinated loan	-	650,000,000
		Shares issued against sponsors loan	-	176,000,000
		Shares issued	-	30,542,790

Related party	Relationship	Nature of transaction	2021 Rupees	2020 Rupees
Escorts Capital Limited	Associated Company	Shares issued against borrowings	-	15,173,960
		Office premises purchased	16,028,700	-
		Borrowings paid	-	25,447,410
		Mark-up on borrowings accrued	-	950,364
		Mark-up on borrowings paid	-	1,139,104
Bahria Grand Hotel and Resort	Associated Company	Entertainment expense	108,947	346,295
The Safari Club	Associated Company	Entertainment expense	7,000	26,913
Other Related Parties	Associated Company	Certificate of deposit matured	-	29,461,224
		Advertisement expense	-	3,480,000
		Mark-up on borrowings accrued	-	3,141,254
		Mark-up on borrowings paid	-	3,216,001
		Borrowings received	-	29,461,224
		Repayment of borrowings	-	57,733,524
Employees Provident Fund	Other related party	Contribution for the year	2,236,279	1,699,625
Outstanding balance as at the year end				
Bahria Town (Private) Limited		Trade and other payables	334,916	14,014,323
		Certificates of deposit	-	10,000,000
		Security deposit against branches	25,000,000	15,000,000
Bahria Grand Hotel and Resort		Entertainment expense	8,050	-
Employees Provident Fund		Payable	424,644	237,684

42.1 Basis of relationship with the Company

Following are the related parties with whom the company had entered into transactions or have arrangement / agreement in place.

Company Name	Basis of Association	Aggregate percentage (%) of shareholding in the Company
Bahria Town (Private) Limited	Holding company	87.96%
Escorts Capital Limited	Common control	N/A
Bahria Grand Hotel and Resort	Common control	N/A
Bahria International Academy	Common control	N/A
Ace Junior Academy	Common control	N/A
Ace International Academy	Common control	N/A
The Clove Restaurant and Grill	Common control	N/A
The Safari Club	Common control	N/A
AAP News (San Media Private Limited)	Common control	N/A

43. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Rupees

	Chief Executive Officer / Director		Non - Executive Directors		Executives		Grand Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Managerial remuneration	4,458,299	4,337,550	-	-	3,391,650	2,633,767	7,849,949	6,971,317
House rent allowance	4,458,299	4,337,550	-	-	3,391,650	2,633,767	7,849,949	6,971,317
Medical allowance	990,734	963,900	-	-	753,700	585,252	1,744,434	1,549,152
Meeting fee	-	-	3,600,000	3,400,000	-	-	3,600,000	3,400,000
Fuel allowance	293,506	286,655	-	-	636,964	449,167	930,470	735,822
Utilities	-	60,000	-	-	-	73,000	-	133,000
Entertainment and others	59,938	-	-	1,037,779	-	-	59,938	1,037,779
Training	-	-	-	191,400	-	-	-	191,400
Leave encashment	675,000	872,240	-	-	-	-	675,000	872,240
Retirement benefits	442,270	433,755	-	-	341,809	263,377	784,079	697,132
	11,378,046	11,291,650	3,600,000	4,629,179	8,515,773	6,638,330	23,493,819	22,559,159
Number of persons	1	1	6	6	3	2	10	9

43.1 Total number of directors of the Company including chief executive officer is 7 (2020: 7). No remuneration was paid to any non-executive director. Further, certain executives of the Company are provided with Company maintained cars.

43.2 An executive is defined as an employee, other than chief executive officer and directors, whose basic salary in a year exceeds Rs. 1.2 million.

44. MATURITIES OF ASSETS AND LIABILITIES

Rupees

Description	Upto one month	Within one year	More than one year and upto five year	Above five years	Non fixed maturities	Total
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As at 30 June 2021

ASSETS

Property and equipment	-	-	42,256,003	157,488,549	-	199,744,552
Intangible assets	-	-	5,808,453	-	-	5,808,453
Cards and rooms	-	-	-	12,000,000	-	12,000,000
Deferred tax asset - net	-	-	179,847,449	-	-	179,847,449
Net investment in lease finances	-	2,165,985	-	-	-	2,165,985
Investments	-	124,904,649	24,905,000	-	-	149,809,649
Finances	17,398,156	100,782,209	89,081,296	63,193,919	-	270,455,580
Advances	643,503	4,422,777	-	-	-	5,066,280
Deposits and prepayments	-	1,532,939	25,449,600	-	-	26,982,539
Interest accrued	-	9,023,525	-	-	-	9,023,525
Other receivables	-	44,353,732	-	-	-	44,353,732
Tax refunds due from the government	-	113,045,918	-	-	-	113,045,918
Cash and bank balances	38,278,106	-	-	-	-	38,278,106
	56,319,765	400,231,734	367,347,801	232,682,468	-	1,056,581,768

Rupees

Description	Upto one month	Within one year	More than one year and upto five year	Above five years	Non fixed maturities	Total
-------------	----------------	-----------------	---------------------------------------	------------------	----------------------	-------

LIABILITIES

Lease liabilities	699,000	3,463,499	40,251,942	25,474,816	-	69,889,257
Certificates of deposits	-	41,250,000	-	-	-	41,250,000
Long term security deposits	-	2,165,985	-	-	-	2,165,985
Trade and other payables	-	99,747,906	-	-	-	99,747,906
Unclaimed dividend	-	2,385,654	-	-	-	2,385,654
Provision for taxation	-	1,647,553	-	-	-	1,647,553
	699,000	150,660,597	40,251,942	25,474,816	-	217,086,355
Net assets	55,620,765	249,571,137	327,095,859	207,207,652	-	839,495,413

Represented by:

Share capital and reserves						819,740,560
Surplus on revaluation of property and equipment						19,754,853
						<u>839,495,413</u>

Rupees

Description	Upto one month	Within one year	More than one year and upto five year	Above five years	Non fixed maturities	Total
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As at 30 June 2020**ASSETS**

Property and equipment	-	-	50,053,289	140,425,467	-	190,478,756
Intangible assets	-	-	4,048,592	-	-	4,048,592
Cards and rooms	-	-	-	12,750,000	-	12,750,000
Deferred tax asset	-	-	183,336,579	-	-	183,336,579
Net investment in lease finance	-	2,165,985	-	-	-	2,165,985
Investments	-	227,213,800	-	-	-	227,213,800
Finances	-	106,811,593	111,919,652	22,402,756	-	241,134,001
Advances	1,481,474	4,705,424	-	-	-	6,186,898
Prepayments	-	759,639	15,449,600	-	-	16,209,239
Interest accrued	-	10,225,945	-	-	-	10,225,945
Other receivables	-	27,992,210	43,792,767	-	-	71,784,977
Tax refunds due from the government	-	124,148,444	-	-	-	124,148,444
Cash and bank balances	286,662,222	-	-	-	-	286,662,222
	288,143,696	504,023,040	408,600,479	175,578,223	-	1,376,345,438

Rupees

Description	Upto one month	Within one year	More than one year and upto five year	Above five years	Non fixed maturities	Total
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LIABILITIES

Subordinated loans	-	137,694,382	-	-	-	137,694,382
Long term lease liabilities	-	-	-	-	-	-
Certificates of deposit	-	15,000,000	51,250,000	-	-	66,250,000
Long term security deposits	-	2,165,985	-	-	-	2,165,985
Lease liabilities	217,063	2,387,697	28,199,612	33,402,907	-	64,207,279
Short term finances	-	-	-	-	-	-
Accrued markup	13,142,620	-	-	-	-	13,142,620
Trade and other payables	-	155,138,276	-	-	-	155,138,276
Unclaimed dividend	-	2,385,654	-	-	-	2,385,654
Provision for taxation	-	15,696,381	-	-	-	15,696,381
	13,359,683	330,468,375	79,449,612	33,402,907	-	456,680,577
Net assets	274,784,013	173,554,665	329,150,867	142,175,316	-	919,664,861

Represented by:

Share capital and reserves	901,667,552
Revaluation surplus on property and equipment	17,997,309
	919,664,861

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the senior management.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The management attempts to control credit risk through monitoring credit exposures, limiting transactions with specific counterparties, and continuous assessing of the credit worthiness of counterparties.

The management monitors and limits bank's exposure to credit risk through monitoring of client's credit exposure, reviews and conservative estimates of allowance for expected credit losses on doubtful receivables, if any, and through the prudent use of collateral policy.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2021 Rupees	2020 Rupees
Long term investments	8	24,905,000	126,250,000
Long term finances	9	195,441,615	183,194,544
Short term investments	14	124,904,649	100,963,800
Short term finances	15	75,013,965	57,939,457
Interest receivable	17	9,023,525	10,225,945
Other receivables	18	44,353,732	71,784,977
Bank balances	20	38,063,691	286,208,677
		511,706,177	836,567,400

Credit quality of financial assets

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

Long term and short term finances

The Company's receivables comprise receivables from corporate and individual customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. The Company manages its credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining securities against certain borrowers in shape of hypothecation of their assets and/or by providing impairment allowance against receivable balances.

The management reviewed the risk management policies and is of view that the Company with its diversified segmentation is not exposed to concentration of credit risks.

Segment information

Class of business	Financing activities	
	2021 Percentage	2020 Percentage
Chemical and pharmaceuticals	6.87	1.03
Agribusiness	4.19	4.95
Education	8.85	20.70
Automobile parts and accessories	-	1.20
Health care	13.21	4.19
Trading	9.77	5.02
Apparel and clothing	1.79	2.43
Manufacturing	1.13	1.70
Services	7.51	8.00
Electronics and electrical appliances	9.48	2.27
Production and transmission of energy	2.89	0.49
Food	0.30	0.20
Individuals	6.81	7.33
Engineering and construction	9.05	14.06
Dairy product	3.82	13.10
Technology and communications	2.98	4.86
Real estate	0.15	0.17
Others	11.20	8.30
	100.00	100.00

Geographical segment

The Company has established an allowance for expected credit losses that represent its estimate of expected losses in respect of financing and lease rental receivables. Ageing of the financing and lease rental receivables of the Company outstanding as at year end is as follows:

	2021 Rupees	2020 Rupees
Not past due	263,028,853	229,556,510
Past due 0 - 90 days	12,004,361	1,548,982
Past due 91- 180 days	7,417,063	225,511
180 days to 1 year	3,278,780	219,933
More than 1 year	48,817,713	58,635,639
	334,546,770	290,186,575
Less: Allowance for expected credit losses	(61,925,205)	(46,886,589)
	272,621,565	243,299,986

The management believes that the unimpaired balances that are past dues are still collectable in full, based on historical payment behaviour. Further, certain receivables are secured by hypothecation / mortgage of assets which can be called upon if the counter party is in default under the terms of the agreement.

Collaterals held against term financing

Description	2021				Rupees
	Gross exposure	Collaterals			Net exposure
		Mortgage	Hypothecation	Liquid collaterals	
Long term finances (Note 45.1.1)	234,300,035	485,456,679	40,980,093	-	(292,136,737)
Short term finances	97,551,963	-	15,429,000	-	82,122,963

45.1.1 It includes the properties valuing Rs. 34.551 million (2020: Rs. 41.051 million) that are on mortgage through transfer of property in name of 'Escorts Investment Bank Limited'.

Description	2020				Rupees
	Gross exposure	Collaterals			Net exposure
		Mortgage	Hypothecation	Liquid collaterals	
Long term finances	214,826,668	430,692,227	41,517,643	-	(257,383,202)
Short term finances	72,665,135	-	15,429,000	10,000,000	47,236,135

The credit quality of balances with the banks can be assessed with reference to external credit ratings of the banks:

	Rating			2021	2020
	Short term	Long term	Agency	Rupees	
United Bank Limited	A1+	AAA	JCR-VIS	1,319,237	8,296,696
Bank Alfalah Limited	A1+	AA+	PACRA	34,084,262	277,528,677
Sindh Bank Limited	A1	A+	JCR-VIS	2,470,308	167,679
MCB Bank Limited	A1+	AAA	PACRA	59,056	56,610
Bank Al-Habib Limited	A1+	AAA	PACRA	19	19
State Bank of Pakistan*				130,809	158,996
				38,063,691	286,208,677

* Credit rating is not available.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The management believes the liquidity risk to be low on account of positive liquidity ratios.

The table below analysis the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equates to their carrying balances as the impact of discounting is not significant.

	Rupees				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
June 30, 2021					
Long term certificates of deposit	41,250,000	41,250,000	41,250,000	-	-
Trade and other payables	82,830,471	82,830,471	82,830,471	-	-
Lease liabilities	69,889,257	93,988,422	8,737,415	55,439,833	29,811,174
	193,969,728	218,068,893	132,817,886	55,439,833	29,811,174
June 30, 2020					
Long term certificates of deposit	66,250,000	66,250,000	15,000,000	51,250,000	-
Long term finances - subordinated loans	137,694,382	137,694,382	137,694,382	-	-
Accrued markup	13,142,620	13,142,620	13,142,620	-	-
Trade and other payables	138,303,472	138,303,472	138,303,472	-	-
Lease liabilities	64,207,279	98,696,554	8,416,214	51,863,156	38,417,184
	419,597,753	454,087,028	312,556,688	103,113,156	38,417,184

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at the reporting date. The rates of mark up have been disclosed in respective notes to the financial statements.

(c) Market risk

The Company's activities expose it to a variety of market risks (in addition to liquidity and credit risks). Market risk with respect to the Company's activities include interest rate risk, currency risk and other price risk.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest will affect the value of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of financial assets and liabilities that mature or reprise in a given period.

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Note	2021 Rupees	2020 Rupees
Financial assets			
Fixed rate instruments:			
Micro finance	9.1 & 15	114,772,922	104,080,584
Bank balances	20	16,377,486	265,582,608
Short term investments	14	15,000,000	95,700,000
		146,150,408	465,363,192
Financial liabilities			
Fixed rate instruments:			
Lease liabilities	26	69,889,257	64,207,279
		76,261,151	401,155,913
Financial assets			
Variable rate instruments:			
House finance	9.1	171,081,488	136,862,253
Long term investments	8	25,000,000	125,000,000
		196,081,488	261,862,253
Financial liabilities			
Variable rate instruments:			
Long term financings - subordinated loans	24	-	(137,694,382)
		196,081,488	124,167,871

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 10 percent in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Profit	
	2021 Rupees	2020 Rupees
Increase of 10%		
Variable rate instruments	19,608,149	12,416,787
Decrease of 10%		
Variable rate instruments	(19,608,149)	(12,416,787)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The company is currently not exposed to equity price risk.

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

(iv) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. Currently, the Company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

45.2 Financial instruments by categories

		Rupees			
Note		At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
Financial assets as at June 30, 2021					
Long term investments	8	-	-	24,905,000	24,905,000
Long term finances	9	-	195,441,615	-	195,441,615
Short term investments	14	110,031,326	14,873,323	-	124,904,649
Short term finances	15	-	75,013,965	-	75,013,965
Interest receivable	17	-	9,023,525	-	9,023,525
Other receivables	18	-	44,353,732	-	44,353,732
Cash and bank balances	20	-	38,278,106	-	38,278,106
		110,031,326	376,984,266	24,905,000	511,920,592

Financial assets as at June 30, 2020					
Long term investments	8	-	-	126,250,000	126,250,000
Long term finances	9	-	183,194,544	-	183,194,544
Short term investments	14	5,589,288	95,374,512	-	100,963,800
Short term finances	15	-	57,939,457	-	57,939,457
Interest receivable	17	-	10,225,945	-	10,225,945
Other receivables	18	-	71,784,977	-	71,784,977
Cash and bank balances	20	-	286,662,222	-	286,662,222
		5,589,288	705,181,657	126,250,000	837,020,945

	Note	2021 Rupees	2020 Rupees
Financial liabilities at amortized cost			
Lease liabilities	26	69,889,257	64,207,279
Long term certificates of deposit	25	41,250,000	66,250,000
Trade and other payables	29	82,830,471	138,303,472
Accrued markup	28	-	13,142,620
		193,969,728	281,903,371

46. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including

current and non current and excluding sponsors' loans) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

	2021 Rupees	2020 Rupees
Debt	77,897,272	350,219,065
Cash and bank balances	38,278,106	286,662,222
Net debt	39,619,166	63,556,843
Total equity	819,740,560	901,667,552
Total capital employed	859,359,726	965,224,395
Gearing ratio (%)	4.61%	6.58%

47. PROVIDENT FUND

	2021 Rupees (Un-audited)	2020 Rupees (Audited)
The following information is based on the latest financial statements of the Trust:		
Size of the fund - total assets	10,978,504	7,748,576

All investments out of provident fund have been made in the collective investment schemes, listed equity and listed debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

48. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received so sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

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

48.1 Recognized Fair Value Measurements - Financial Assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Rupees				
As at 30 June 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Long term investments	24,905,000	-	-	24,905,000
Short term investments	110,031,326	-	-	110,031,326
Total financial assets	134,936,326	-	-	134,936,326

Rupees				
As at 30 June 2020	Level 1	Level 2	Level 3	Total
Financial Assets				
Long term investments	126,250,000	-	-	126,250,000
Short term investments	5,589,288	-	-	5,589,288
Total financial assets	131,839,288	-	-	131,839,288

The fair values of the quoted instruments are based on price quotations at the reporting date. The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

There were no transfers amongst the levels during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

48.2 Recognized Fair Value Measurements - Non-Financial Assets

Fair value hierarchy

Judgments and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

				Rupees
As at 30 June 2021	Level 1	Level 2	Level 3	Total
Property and equipment:				
Office premises	-	79,824,225	-	79,824,225

				Rupees
As at 30 June 2020	Level 1	Level 2	Level 3	Total
Property and equipment:				
Office premises	-	62,669,126	-	62,669,126

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property and equipment carried at revalued amounts every five years. The management updates the assessment of the fair value of each item of property and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold office premises is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same freehold office premises. The significant inputs included the existing use of building on an open market basis, comparisons between recent transactions in the real estate marketplace, current value of similar premises, size, location and frontage of the premises. A slight increase in the depreciation factor would result in a significant decrease in the fair values of buildings and leasehold improvements, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings and vice versa. There has been no change to the valuation technique during the year.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's items of property and equipment carried at revalued amounts at the end of every five years.

Changes in fair values are analyzed by the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

49. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Rupees

Description	Note	2021		2020	
		Non - Shariah Arrangements	Shariah Arrangements	Non - Shariah Arrangements	Shariah Arrangements
FINANCIAL ASSETS					
Investments	8 & 14	149,809,649	-	227,213,800	-
Finances	9, 13 & 15	270,455,580	-	241,134,001	-
Interest receivable	17	9,023,525	-	10,225,945	-
Other receivables	18	44,353,732	-	71,784,977	-
Cash and bank balances	20	16,377,486	21,900,620	265,582,608	21,079,614
		490,019,972	21,900,620	815,941,331	21,079,614
FINANCIAL LIABILITIES					
Long term finances - subordinated loans	24 & 27	-	-	137,694,382	-
Lease liabilities	26 & 27	69,889,257	-	64,207,279	-
Long term certificates of deposit	25 & 27	-	41,250,000	-	66,250,000
Accrued markup	28	-	-	13,142,620	-
Trade and other payables	29	82,830,471	-	138,303,472	-
		152,719,728	41,250,000	353,347,753	66,250,000

Rupees

Description	Note	2021		2020	
		Carried under		Carried under	
		Non - Shariah Arrangements	Shariah Arrangements	Non - Shariah Arrangements	Shariah Arrangements
Sources of other income					
Profit on financing	32	73,542,080	-	51,770,437	-
Return on investments	33	14,268,229	-	44,501,722	-
Income from fee and commission	34	4,559,320	-	3,818,121	-
Profit on bank deposits		9,442,640	-	37,197,974	-
Other income	35	9,970,223	542,450	7,674,277	2,475,000
		111,782,492	542,450	144,962,531	2,475,000

49.1 Relationship with banks

Name of banks	Relationship	
	Non Islamic window operations	With Islamic window operations
United Bank Limited	✓	-
Bank Alfalah Limited	✓	-
Sindh Bank Limited	✓	-
MCB Bank Limited	✓	-
Bank Al-Habib Limited	✓	-
State Bank of Pakistan	✓	-

50. SUBSEQUENT EVENTS

There were no significant adjustable events subsequent to the reporting date except for those disclosed in note 1, which may require an adjustment to the financial statements or additional disclosure and have not already been disclosed in these financial statements.

51. NUMBER OF EMPLOYEES

	2021 Number	2020 Number
Number of employees as at June 30,	90	129
Average number of employees during the year	105	98

52. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 6 October 2021 by the Board of Directors of the Company.


53. GENERAL

Corresponding figures are rearranged for better presentation and comparison. Following re-arrangements has been made in these financial statements.

Nature	From	To	Amount Rupees
Employees' retirement benefit	Accrued expenses and other payables	Payable to employees provident fund	237,684
Short term finances	Finances - net (face of statement of cash flows)	Short term finances - net (face of statement of cash flows)	26,628,099
Prepayments	Deposits and prepayments (face of statement of cash flows)	Prepayments (face of statement of cash flows)	494,368



Chief Executive Officer



Chief Financial Officer



Chairperson

PATTERN OF SHAREHOLDING

AS ON 30 JUNE 2021

No. of Shareholders	Shareholdings		Total Number of Shares Held	Percentage
	From	To		
140	1	100	3,507	0.00
157	101	500	69,025	0.05
154	501	1000	148,679	0.11
291	1001	5000	873,811	0.64
105	5001	10000	828,132	0.61
47	10001	15000	604,419	0.45
31	15001	20000	551,496	0.41
20	20001	25000	463,633	0.34
22	25001	30000	612,928	0.45
4	30001	35000	128,996	0.10
6	35001	40000	222,794	0.16
6	40001	45000	258,748	0.19
5	45001	50000	243,122	0.18
2	50001	55000	103,500	0.08
5	55001	60000	298,500	0.22
4	60001	65000	252,500	0.19
2	70001	75000	147,500	0.11
5	75001	80000	388,490	0.29
1	80001	85000	82,500	0.06
2	90001	95000	186,500	0.14
8	95001	100000	796,659	0.59
1	100001	105000	102,500	0.08
2	105001	110000	216,619	0.16
1	110001	115000	113,003	0.08
2	120001	125000	250,000	0.18
2	125001	130000	254,500	0.19
1	130001	135000	135,000	0.10
1	135001	140000	138,887	0.10
1	140001	145000	141,442	0.10
1	145001	150000	150,000	0.11
2	150001	155000	302,000	0.22
2	155001	160000	318,000	0.23
3	190001	195000	578,500	0.43
2	195001	200000	400,000	0.29
1	215001	220000	217,500	0.16
1	235001	240000	236,000	0.17
2	245001	250000	499,836	0.37
1	280001	285000	285,000	0.21
1	315001	320000	319,500	0.24
1	370001	375000	375,000	0.28
1	385001	390000	388,010	0.29
1	390001	395000	394,500	0.29
1	395001	400000	397,000	0.29
1	610001	615000	611,687	0.45
1	660001	665000	663,500	0.49
1	765001	770000	766,000	0.56
1	800001	805000	801,500	0.59
1	119275001	119280000	119,279,077	87.96
1,053			135,600,000	100.00

CATEGORIES OF SHAREHOLDERS

AS ON 30 JUNE 2021

DETAILED CATEGORIES OF SHAREHOLDERS

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children		
1 SYED AMIR AHSAN*	500	0.0004
2 KARIM HATIM*	1,537	0.0011
3 SYED TAHIR NAWAZISH (Nominee Director)	0	0.0000
4 ZAINAB MALIK (Nominee Director)	0	0.0000
5 NAVEEED AMIN (Nominee Director)	0	0.0000
6 TAHIR SAEED EFFENDI (Nominee Director)	0	0.0000
7 KHAWAJA NADEEM ABBAS (Nominee Director)	0	0.0000
	2,037	0.0015
Associated Companies, Undertakings and Related Parties		
1 BAHRIA TOWN (PRIVATE) LIMITED.	119,279,077	87.9639
	119,279,077	87.9639
Banks, Development Financial Institutions, Non Banking Financial Institutions		
1 ESCORTS INVESTMENT BANK LIMITED	1,000	0.0007
	1,000	0.0007
Insurance Companies		
1 STATE LIFE INSURANCE CORP. OF PAKISTAN	77,490	0.0571
	77,490	0.0571
Modarbas and Mutual Funds		
1 CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	96,659	0.0713
	96,659	0.0713
General Public (Local)		
	13,884,507	10.2393
Others		
1 KRONOSWISS (PRIVATE) LIMITED	30,748	0.0227
2 VITALITY CAPITAL LLC	250,000	0.1844
3 Crescent Standard Business Management (Pvt) Limite	1	0.0000
	280,749	0.2070

* Subsequently resigned

Categories of Shareholders		Shares Held	Percentage
Joint Stock Companies			
1	MEGA SECURITIES (PVT) LTD	60	0.0000
2	MRA SECURITIES LIMITED - MF	5,000	0.0037
3	TRUST SECURITIES & BROKERAGE LIMITED - MF	60,000	0.0442
4	AZEE SECURITIES (PVT.) LTD	210	0.0002
5	DARSON SECURITIES LIMITED	150,500	0.1110
6	MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIM	766,000	0.5649
7	ASDA SECURITIES (PVT.) LTD.	15,000	0.0111
8	ORIENTAL SECURITIES (PVT) LTD.	15,374	0.0113
9	RAO SYSTEMS (PVT.) LTD.	151,500	0.1117
10	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	5,000	0.0037
11	SHAFFI SECURITIES (PVT) LIMITED	3,000	0.0022
12	NH SECURITIES (PVT) LIMITED.	5,000	0.0037
13	UHF CONSULTING (PRIVATE) LIMITED	801,500	0.5911
		1,978,144	1.4588
Executives			
1	HAFIZ BILAL AHMAD	307	0.0002
2	KAMRAN CHUGHTAI	30	0.0000
		337	0.0002
Grand Total:		135,600,000	100.0000

CATEGORIES OF SHAREHOLDERS AS ON 30 JUNE 2021

Sr. #	Categories	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	2	2,037	0.0015
2	Associated Companies, Undertakings and Related Parties	1	119,279,077	87.9639
3	Banks, Development Financial Institutions, Non Banking Financial Institutions	1	1,000	0.0007
4	Insurance Companies	1	77,490	0.0571
5	Modarbas and Mutual Funds	1	96,659	0.0713
6	General Public (Local)	1,029	13,884,507	10.2393
7	Others	3	280,749	0.2070
8	Joint Stock Companies	13	1,978,144	1.4588
9	Executives	2	337	0.0002
TOTAL:		1,053	135,600,000	100.0000

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FORM OF PROXY

TWENTY SIXTH ANNUAL GENERAL MEETING

I/We, _____ of _____ CDC A/C NO. / FOLIO NO. _____ being a shareholder of Escorts Investment Bank Limited (The Company) do hereby appoint, Mr./Miss/Ms. _____ of _____ CDC A / C NO. / FOLIONO. _____ and or failing him/her _____ of _____ who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on October 28, 2021 (Thursday) at 09:30 A.M. at Bahria Grand Hotel & Resort situated at Canal Bank Road, Executive Lodges, Sector-B, Bahria Town, Lahore, and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

Dated this _____ day of _____ 2021.

Signature: _____

Address: _____

CNIC: _____

No. of shares held: _____

Revenue Stamp
of Rs. 50/-

WITNESS

Signature: _____

Address: _____

CNIC: _____

WITNESS

Signature: _____

Address: _____

CNIC: _____

Note:

- This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at Alfalah Building, 1st Floor, Sector-B, Bahria Town, Mohlanwal, Lahore not later than 48 hours before the time of holding the Annual General Meeting.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company.

Second Fold

Affix Revenue
Stamp

The Company Secretary,

ESCORTS INVESTMENT BANK LIMITED
Alfalah Building, 1st Floor, Sector-B,
Bahria Town Lahore

First Fold

Third Fold and Tuck In

تشکیل نیابت داری (پراکسی فارم) 26 واں سالانہ اجلاس

میں / ہم _____ ساکن _____ بحیثیت _____
 اسکورٹس انوسٹمنٹ بینک لمیٹڈ رکن (ممبر) اور حامل ہیں _____ عام حصص کے مطابق درج شدہ فولیو نمبر _____ اور یا سی ڈی سی کے شرکتی آئی ڈی نمبر _____
 اور ڈیلی کھاتہ نمبر _____ محترم / محترمہ _____ ساکن _____ یا بصورت _____
 دیگر محترم / محترمہ _____ ساکن _____ کو اپنی جگہ 28 اکتوبر 2021 بروز جمعرات دن 09:30 بجے بحریہ کریڈٹ ہول اینڈ ریزروٹ کینال روڈ پروجیکٹ ایگزیکٹو لاجز، سیکٹر-B بحریہ ٹاؤن لاہور میں منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

مورخہ _____ دن _____ 2021

گواہ

دستخط _____	(1) دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ نمبر _____	شناختی کارڈ نمبر _____

ریونیوٹکٹ 50 روپے
والی چسپاں کریں

(دستخط کمپنی میں پہلے سے موجود
نمونہ کے مطابق ہونے چاہیے)

دستخط _____	(2) دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ نمبر _____	شناختی کارڈ نمبر _____

ہدایات

- ۱) نیابت داروں پر کسی موثر بنانے کیلئے اجلاس کے مقرر کردہ وقت کم از کم 48 گھنٹے کمپنی کے رجسٹرڈ پتہ (الفلاح بلڈنگ، فرسٹ فلور، سیکٹر-B، بحریہ ٹاؤن، لاہور) میں جمع کروانا ضروری ہے۔
- ۲) سی ڈی سی حصص داران اور ان کے مختار (پراکسی) دونوں کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل ضروری ہے۔
- ۳) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- ۴) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد/مع نامزد کردہ شخص/انارنی کے نمونہ دستخط پاور آف انارنی (اگر پہلے فراہم نہ کیے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

Second Fold

Affix Revenue
Stamp

The Company Secretary,

ESCORTS INVESTMENT BANK LIMITED
Alfalah Building, 1st Floor, Sector-B,
Bahria Town Lahore

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www.escortsbank.net
info@escortsbank.net

Follow Escorts Investment 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