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CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2021



**Escorts
Investment**
Bank



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CORPORATE INFORMATION

Board of Directors

Ms. Zainab Malik
(Chairperson)

Mr. Naveed Amin
(Chief Executive Officer)

Mr. Muhammad Mubashir Hussain
Syed Tahir Nawazish
Khawaja Nadeem Abbas
Mr. Rashid Aziz

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. Muhammad Rasheed Alam

External Auditors

Tariq Abdul Ghani Maqbool & 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



DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited ("Company") are pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the period ended on 31 December 2021.

ECONOMY REVIEW

Since eruption of Pandemic Corona Virus, various government machineries were challenged beyond the expectations and their limits like health care facilities, continuation of economic activities due to intermittent and inevitable lockdowns, disrupted supply chains across the world and many more. Now the fifth wave i.e., Omicron mutant has surfaced and casts uncertainty over world economies again.

New variant has worsened the position in Pakistan when it coupled with global and local inflationary pressures. Year on year inflation has increased in the recent times and its prime contributors were higher global commodity prices, electricity charges, house rent and transportation costs. However, government is taking administrative and policy measures to ease out the inflationary pressures.

PERFORMANCE REVIEW

During the period under review, the Company continues to follow a conservative approach towards writing new business. As at 31 December 2021, the housing and microfinance portfolio stood at Rs.160.661 million and Rs. 92.347 million respectively. The Company has booked Rs. 11.020 million on account of provisioning, these clients disturbed during the pandemic period and now reviving their relationship. With passage of time, Company is confident of its receipt. Management has planned to rigourously increase its business volume in order to achieve the desired results soon. The loss for the period under review is Rs. 35.103 million as against Rs. 36.607 million for the corresponding period last year.

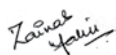
WITHDRAWAL OF INTENTION TO ACQUIRE MAJORITY SHAREHOLDING OF THE COMPANY

Subsequent to the reporting date, Manager To the Offer 'M.Munir M. Ahmad Khanani Securities Ltd' has served a notice of withdrawal of Public Announcement of Intention ("PAI") made by Mr. Syed Sabur Rehman to acquire majority shareholding along with control of the Company, hence, the PAI stands withdrawn.

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customer for their valued support 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



Zainab Malik
Chairperson / Director



Syed Tahir Nawazish
Director

ڈائریکٹرز کی رپورٹ

ایس کارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کی رپورٹ اور کمپنی کے 31 دسمبر 2021 کو اختتام پذیر ہونے والی مدت کے غیر آڈٹ شدہ مالی گوشوارے بمعہ آڈیٹرز کی جائزہ رپورٹ پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

جب سے کرونا کی وبا پھیلی ہے سرکاری مشینری کو وقتاً فوقتاً اور ناگزیر لاک ڈاؤن کی وجہ سے بساط اور حد سے زیادہ چیلنج ملا جیسے صحت کی سہولیات، معاشی سرگرمیوں کا تسلسل، سپلائی کا عالمی خلل اور اس کے علاوہ بہت کچھ۔ اب وبا کی پانچویں لہر یعنی اوبیکرون منظر عام پر آئی ہے جس کی وجہ سے عالمی معیشت کو ایک بار پھر غیر یقینی صورتحال کا سامنا ہے۔

وائرس کی نئی قسم نے عالمی اور مقامی مہنگائی کے دباؤ کے ساتھ مل کر پاکستان کی پوزیشن کو مزید خراب کر دیا ہے۔ حالیہ دنوں میں سال بہ سال مہنگائی میں اضافہ ہوا ہے اور اس کی بنیادی وجہ اجناس کی عالمی قیمتیں، بجلی کی قیمت، رہائشی کرایہ جات اور نقل و حمل کے اخراجات تھے۔ تاہم حکومت افراتفرز کے دباؤ کو کم کرنے کے لیے انتظامی اور پالیسی اقدامات کر رہی ہے۔

کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران کمپنی نے محتاط کاروباری رویہ جاری رکھا۔ 31 دسمبر 2021 کو ہاؤس فنانس اور مائیکرو فنانس پورٹ فولیو کا حجم بالترتیب 160.661 اور 92.347 ملین روپے تھا۔ کمپنی نے 11.020 ملین روپے کی پروڈیون بک کی ہے یہ صارفین کو رونا وبا کی وجہ سے ڈسٹرب ہونے والے تھے اور اب تعلقات کی تجدید کر رہے ہیں۔ کمپنی اس کی وصولی کے لیے پریقین ہے۔ مطلوبہ نتائج کو جلد حاصل کرنے کے لیے انتظامیہ نے کاروبار کو بڑھانے کا فیصلہ کیا ہے۔ زیر جائزہ مدت کے دوران نقصان 35.103 ملین روپے رہا جو پچھلے سال اسی مدت کے دوران 36.607 ملین روپے تھا۔

کمپنی کی اکثریتی شیئر ہولڈنگ کے حصول میں دلچسپی سے دستبرداری

رپورٹنگ کی تاریخ کے بعد، پبلیکیشن کے مینیجر 'ایم منیر ایم احمد خانانی سیکورٹیز لمیٹڈ' نے جناب سید صبور من کی طرف سے اکثریتی شیئر ہولڈنگ اور کمپنی کے کنٹرول کے حصول کے لیے کیے گئے بلیک اناؤنٹمنٹ آف انٹینشن ("PAI") کو واپس لینے کا نوٹس بھیجا ہے۔ اس لیے پی اے آئی ("PAI") منسوخ تصور کیا جاتا ہے۔

اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کے لیے ان کے شکر گزار ہیں اور اسپانسرز کی مسلسل حمایت کے لیے ان کی کوششوں کو تسلیم کرنا چاہتے ہیں جو ہمارے مقاصد کے حصول کے لیے ہماری صلاحیتوں میں اضافہ کرتی رہے گی۔

منجانب/ برائے بورڈ



سید طاہر نواز

ڈائریکٹر



زینب ملک

چیئر پرسن/ ڈائریکٹر

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ESCORTS INVESTMENT BANK LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ESCORTS INVESTMENT BANK LIMITED** as at December 31, 2021 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statement based on our review.

The figures of the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

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

Conclusion

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

*Tariq Abdul Ghani Maqbool & Co., a Partnership firm
registered in Pakistan and an independent member
of Geneva Group International (GGI), a Swiss entity.*

Other Matter

The condensed interim financial information for the half year ended December 31, 2020 and the annual financial statements for the year ended June 30, 2021 of the company were reviewed and audited, by another firm of chartered accountants, who expressed an unmodified conclusion and unmodified opinion thereon vide their reports dated February 15, 2021 and October 06, 2021, respectively.

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



TARIQ ABDUL GHANI MAQBOOL & CO.
Chartered Accountants

Dated: February 25, 2022

Karachi

UDIN: RR202110055UWbXQ30xK

*Tariq Abdul Ghani Maqbool & Co., a Partnership firm
registered in Pakistan and an independent member
of Geneva Group International (GGI), a Swiss entity.*

A black and white photograph of a hand holding a pen, pointing at a financial document. The document features a bar chart and some text. The background is blurred, showing a person's face and another hand. A semi-transparent white box is overlaid on the top right of the image, containing the title and subtitle.

Condensed Interim Financial Information

(Un-audited)

For the half year ended 31 December 2021

Condensed Interim Statement of Financial Position

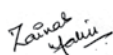
As at 31 December 2021

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	190,821,096	199,744,552
Intangible assets	6	5,358,631	5,808,453
Cards and rooms		12,000,000	12,000,000
Long term investments		24,906,250	24,905,000
Long term finances	7	124,520,219	144,266,486
Long term deposits		25,449,600	25,449,600
Deferred tax asset - net	8	180,049,171	179,847,449
		563,104,967	592,021,540
CURRENT ASSETS			
Current portion of non-current assets		43,887,971	53,341,114
Short term investments		96,297,927	124,904,649
Short term finances		63,869,579	75,013,965
Short term advances		3,552,959	5,066,280
Prepayments		1,529,454	1,532,939
Interest accrued		8,222,776	9,023,525
Other receivables		43,828,777	44,353,732
Tax refunds due from the government		114,077,723	113,045,918
Cash and bank balances	9	59,916,764	38,278,106
		435,183,930	464,560,228
TOTAL ASSETS		998,288,897	1,056,581,768
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 300,000,000 (2021: 300,000,000) ordinary shares of Rs. 10 each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital		1,356,000,000	1,356,000,000
Capital reserves		158,402,996	158,401,746
Revenue reserve		(729,269,944)	(694,661,186)
Revaluation surplus on property and equipment		19,260,982	19,754,853
		804,394,034	839,495,413
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		63,363,703	65,726,758
		63,363,703	65,726,758
CURRENT LIABILITIES			
Current portion of non-current liabilities	10	16,859,108	47,578,484
Trade and other payables	11	109,155,524	99,747,906
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		2,130,874	1,647,553
		130,531,160	151,359,597
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		998,288,897	1,056,581,768

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairperson




Chief Financial Officer

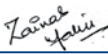
Condensed Interim Statement of Profit or Loss

For the half year and quarter ended 31 December 2021 (Un-audited)

	Note	Half year ended December 31,		Quarter ended December 31,	
		2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
INCOME					
Profit on financing		29,329,413	35,875,411	13,845,051	18,845,117
Return on investments		4,350,764	9,119,077	1,664,417	4,499,142
Income from fee and commission		1,562,461	2,275,964	793,540	1,190,264
Profit on bank deposits		2,611,738	6,647,493	1,778,577	2,731,299
Other income		19,974,750	8,769,536	3,919,701	8,126,719
		57,829,126	62,687,481	22,001,286	35,392,541
EXPENSES					
Mark-up on borrowings		-	-	-	(2,137,704)
Administrative expenses	13	79,178,320	92,985,278	42,558,234	47,865,896
Finance cost		2,424,959	3,104,399	931,471	1,553,831
		81,603,279	96,089,677	43,489,705	47,282,023
Operating loss before provisions and taxation		(23,774,153)	(33,402,196)	(21,488,419)	(11,889,482)
Provision against doubtful finances & Write offs - Net	14	(11,046,878)	(2,450,979)	(5,475,175)	(1,696,709)
Loss before taxation		(34,821,031)	(35,853,175)	(26,963,594)	(13,586,191)
Taxation - net		(281,599)	(753,442)	(150,065)	(439,000)
Loss after taxation		(35,102,630)	(36,606,617)	(27,113,659)	(14,025,191)
Loss per share - basic and diluted		(0.26)	(0.27)	(0.20)	(0.10)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairperson


Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the half year and quarter ended 31 December 2021 (Un-audited)

	Half year ended December 31,		Quarter ended December 31,	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Loss after taxation	(35,102,630)	(36,606,617)	(27,113,659)	(14,025,191)
Other comprehensive loss:				
Items that will not be reclassified to statement of profit or loss	-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss				
Profit / (loss) on remeasurement of long term investments - net of tax	1,250	(1,396,625)	-	373,125
Other comprehensive income / (loss) for the period - net of tax	1,250	(1,396,625)	-	373,125
Total comprehensive loss for the period	(35,101,380)	(38,003,242)	(27,113,659)	(13,652,066)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairperson



Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the half year ended 31 December 2021 (Un-audited)

Rupees

Particulars	Issued, subscribed and paid up capital	Capital reserves		Revenue reserve		Revaluation Surplus on Property and Equipment	Total
		Statutory reserve	(Deficit)/ gain on re-valuation of investments	Accumulated loss			
Balance as at June 30, 2020 (audited)	1,356,000,000	158,496,746	1,250,000	(614,079,194)	17,997,309	919,664,861	
Total comprehensive loss for the period							
Net loss for the period	-	-	-	(36,606,617)	-	(36,606,617)	
Other comprehensive loss	-	-	(1,396,625)	-	-	(1,396,625)	
Total comprehensive loss	-	-	(1,396,625)	(36,606,617)	-	(38,003,242)	
Transfer from surplus on revaluation of property and equipment on account of Incremental Depreciation on revalued asset for the period - net of tax	-	-	-	449,932	(449,932)	-	
Balance as at December 31, 2020 (Un-audited)	1,356,000,000	158,496,746	(146,625)	(650,235,879)	17,547,377	881,661,619	
Balance as at June 30, 2021 (audited)	1,356,000,000	158,496,746	(95,000)	(694,661,186)	19,754,854	839,495,414	
Total comprehensive loss for the period							
Net loss for the period	-	-	-	(35,102,630)	-	(35,102,630)	
Other comprehensive gain for the period	-	-	1,250	-	-	1,250	
Total comprehensive gain / (loss)	-	-	1,250	(35,102,630)	-	(35,101,380)	
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	493,872	(493,872)	-	
Balance as at December 31, 2021 (Un-audited)	1,356,000,000	158,496,746	(93,750)	(729,269,944)	19,260,982	804,394,034	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chairperson




Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2021 (Un-audited)

	Half year ended 31 December		
	Note	2021 Rupees	2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(34,821,031)	(35,853,175)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment		7,084,752	7,955,440
- Depreciation on right of use assets		3,853,027	3,456,876
- Amortization on intangible assets		449,820	674,698
- Interest on lease liabilities against right of use assets		2,356,696	3,003,976
- Finance cost		68,263	100,423
- Provision against doubtful finances & Write offs - Net		11,046,878	2,450,979
- Gain on investment in short term investments		(2,078,881)	-
		22,780,555	17,642,392
		(12,040,476)	(18,210,783)
Decrease / (increase) in operating assets			
- Finances - net		29,296,918	(43,982,139)
- Investments		30,685,603	1,482,070
- Loan and advances		1,513,321	2,982,475
- Interest accrued		800,749	818,298
- Other receivables		524,955	(202,319)
- Deposits and prepayments		3,485	(10,756,691)
Increase / (decrease) in operating liabilities			
- Certificates of deposit		-	(31,531)
- Accrued markup		-	(5,642,620)
- Trade and other payables		(21,311,758)	(40,368,760)
		41,513,273	(95,701,217)
Net cash used in operations		29,472,797	(113,912,000)
Finance cost paid		(68,263)	(100,423)
Taxation - net		(1,031,805)	(3,164,553)
Net cash used in operating activities		28,372,729	(117,176,976)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(2,106,650)	(22,592,223)
Capital expenditure on intangible assets		-	(3,109,257)
Net cash generated from / (used in) investing activities		(2,106,650)	(25,701,480)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(4,627,421)	(4,005,719)
Net cash used in financing activities		(4,627,421)	(4,005,719)
Net Decrease in Cash and Cash Equivalents During the Period		21,638,658	(146,884,175)
Cash and cash equivalents at the beginning of the period		38,278,106	286,662,222
Cash and Cash Equivalents at the End of the Period		59,916,764	139,778,047

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chairperson


Chief Financial Officer

Selected Notes to the Condensed Interim Financial Statements

For the half year ended 31 December 2021 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited (“the Company”) is a public limited company incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on 15 May 1995. The Company started its commercial operations on 16 October 1996 and is listed on the Pakistan Stock Exchange Limited. The Company is licensed to carry out investment finance services, as a Non-Banking Finance Company under Section 282-C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003.

Subsequent to the reporting date, Manager To the Offer ‘M. Munir M. Ahmad Khanari Securities Ltd’ has served a notice of withdrawal of Public Announcement of Intention (“PAI”) made by the potential acquirer to acquire majority shareholding along with control of the Company, hence, the PAI stands withdrawn.

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

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

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 04 April 2021. The ratings denote an adequate capacity of timely payment of financial commitments.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies, Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2021. This condensed interim financial information is being presented and submitted to the shareholders as required by Listing Regulations of Pakistan Stock Exchange and under Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2021. This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	130,806,067	137,674,169
Right-of-use assets		55,749,657	59,695,011
Advances for purchase of assets		4,265,372	2,375,372
		190,821,096	199,744,552
5.1 Operating fixed assets			
Opening net book value		137,674,169	130,935,921
Revaluation surplus for the period / year		-	3,742,830
Cost of addition	5.1.1	216,650	23,338,671
Less: Book value of deletion during period / year		-	3,946,166
Less: Depreciation for the period / year	13	7,084,752	16,397,087
Closing net book value		130,806,067	137,674,169

		31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
	Note		
5.1.1 Cost of addition			
Improvement on leasehold premises		-	4,276,367
Office premises		-	16,826,161
Office furniture and fixtures		-	939,785
Computers		136,650	65,049
Office equipment		80,000	1,125,479
Vehicles		-	105,830
		216,650	23,338,671
6. INTANGIBLE ASSETS			
Accounting software	6.1	2,249,376	2,699,198
Advance for ERP implementation		3,109,255	3,109,255
		5,358,631	5,808,453
6.1 Accounting software			
Net carrying value			
At 01 July		2,699,196	4,048,592
Add: Addition		-	-
Less: Amortization charge		449,820	1,349,396
		2,249,376	2,699,196
7. LONG TERM FINANCES			
Considered good	7.1	165,544,091	188,172,744
Considered doubtful		43,285,661	46,127,291
		208,829,752	234,300,035
Less: Allowance for expected credit losses		42,287,368	38,772,964
		166,542,384	195,527,071
Less: Current maturity		41,721,986	51,175,129
Less: General provision for micro finance portfolio		300,179	85,456
		124,520,219	144,266,486
7.1 Considered good			
House finance - secured	7.1.1	160,660,965	171,081,488
Micro finance	7.1.2	4,883,126	17,091,256
		165,544,091	188,172,744

7.1.1 It represents amount disbursed to house finance customers at return rate ranging from 13.98% to 22.42% (2021: 13.98% TO 22.42%) per annum for tenure of 02 to 20 years.

7.1.2 It represents amount disbursed to micro finance customers at return rate ranging from 38.50% to 45% (2021: 38.50% TO 45%) per annum for tenure of 01 to 2 years.

8. DEFERRED TAX ASSET - NET

The Company has an aggregate amount of deferred tax assets of Rs. 180.049 million (2021: Rs. 179.847 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	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
9. CASH AND BANK BALANCES			
Cash in hand		653,788	214,415
Cash with banks:			
Current accounts with:			
State Bank of Pakistan		186,594	130,809
Others		47,175,602	21,555,396
		47,362,196	21,686,205
Saving and deposit accounts	9.1	11,900,780	16,377,486
		59,916,764	38,278,106

9.1 Rate of return on these accounts range from 5.52% to 7.75% (30 June 2021: 5.52% to 6.50%) per annum.

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
10. CURRENT MATURITIES OF NON-CURRENT LIABILITIES			
Long term certificates of deposit		10,000,000	41,250,000
Long term lease liabilities		4,693,123	4,162,499
Long term security deposits		2,165,985	2,165,985
		16,859,108	47,578,484
11. TRADE AND OTHER PAYABLES			
Customers' credit balances		4,447,550	4,447,550
Certificate of depositors	11.1	67,423,404	36,647,272
Accrued expenses and other payables	11.2	36,847,178	58,228,440
Payable to employees provident fund		437,392	424,644
		109,155,524	99,747,906

11.1 These certificates of deposit remained unpaid mainly due to non-submission of succession certificates (by legal heirs of depositors), liens, and other legal issues.

11.2 This includes mark up of Rs. 3.932 million (2021: Nil) suspended during the year.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 June 2021, except as stated below;

Notices issued u/s 161/205 of the Income Tax Ordinance, 2001 for tax year 2014, 2016 to 2020 have been complied with and where demand raised under orders for relevant Tax Year, has been paid.

	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
12.2 Commitments		
ERP implementation agreement	4,071,174	4,071,174
House finance customer	2,000,000	4,200,000

	Half year ended December 31,		Quarter ended December 31,	
	2021 Rupees (Un-audited)	2020 Rupees (Un-audited)	2021 Rupees (Un-audited)	2020 Rupees (Un-audited)
13. ADMINISTRATIVE EXPENSES				
Salaries, allowance and other benefits	43,762,448	51,313,205	23,758,154	27,124,955
Staff training and welfare	7,500	1,278,054	-	513,654
Advertisement and business promotion	87,000	210,930	87,000	119,260
Rent, rates and taxes	370,865	610,482	173,800	162,980
Utilities	3,350,412	3,557,225	1,391,910	1,355,940
Communication charges	1,666,796	2,549,322	896,344	1,624,611
Travelling and vehicle maintenance	2,212,093	2,561,731	1,194,874	1,281,178
Repair and maintenance	1,727,547	1,952,899	1,018,707	875,503
Entertainment	527,314	664,693	314,969	339,813
Fee and subscriptions	1,302,868	859,466	625,842	74,228
Legal and professional charges	9,747,098	11,723,436	5,457,334	6,004,066
Printing and stationery	1,123,952	1,135,733	841,279	776,584
Insurance	1,904,828	2,481,088	900,418	1,479,636
Depreciation on property and equipment	7,084,752	7,955,440	3,548,105	4,067,699
Depreciation on right of use assets	3,853,027	3,456,876	2,124,589	1,728,438
Amortization on intangible assets	449,820	674,698	224,909	337,351
	79,178,320	92,985,278	42,558,234	47,865,896
14. PROVISION AGAINST DOUBTFUL FINANCES & WRITE OFFS - NET				
Provision against financing - specific	10,883,739	2,298,441	5,283,603	1,659,164
Provision against financing - general	136,314	152,538	191,572	37,545
Write offs	26,825	-	-	-
	11,046,878	2,450,979	5,475,175	1,696,709

15. SEGMENTAL ANALYSIS

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

15.1 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'.

15.2 Investing activities

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

Six months ended 31 December 2021 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
	-----Rupees-----				
Profit on financing	13,544,050	15,785,363	-	-	29,329,413
Income from fee and commission	48,761	1,513,700	-	-	1,562,461
Return on investments	-	-	-	6,962,502	6,962,502
Other income	-	105,439	-	-	105,439
Total income for reportable segments	13,592,811	17,404,502	-	6,962,502	37,959,815
Finance costs	24,083	2,370,458	382	30,036	2,424,959
Administrative expenses	33,462,542	41,019,051	387,803	4,308,924	79,178,320
Other operating expenses	-	11,046,878	-	-	11,046,878
Segment result	(19,893,814)	(37,031,885)	(388,185)	2,623,542	(54,690,342)
Other income - unallocated					19,869,311
Loss before taxation					<u>(34,821,031)</u>

As at 31 December 2021 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
-----Rupees-----					
Segment assets	175,811,980	177,290,336	2,165,985	134,325,656	489,593,957
Unallocated assets					508,694,940
					<u>998,288,897</u>
Segment liabilities	5,954,915	74,399,714	68,130	5,353,033	85,775,792
Unallocated liabilities					108,119,073
Equity					804,394,032
					<u>998,288,897</u>

Six months ended 31 December 2020 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
-----Rupees-----					
Profit on financing	13,951,384	21,924,027	-	-	35,875,411
Income from fee and commission	68,964	2,207,000	-	-	2,275,964
Return on investments	-	-	-	15,766,570	15,766,570
Total income for reportable segments	14,020,348	24,131,027	-	15,766,570	53,917,945
Finance costs	22,977	3,023,418	1,767	56,237	3,104,399
Administrative expenses	31,677,392	55,278,443	1,596,029	4,433,414	92,985,278
Segment result	(17,680,021)	(34,170,834)	(1,597,796)	11,276,919	(42,171,732)
Other income - net					6,318,557
Loss before taxation					<u>(35,853,175)</u>

As at 30 June 2021 (Audited)

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

16. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, local 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:

Relationship with the Company	Nature of transaction	Half year ended	
		31-Dec-21 Rupees (Un-audited)	30-Dec-20 Rupees (Un-Audited)
Transactions during the period			
Holding Company			
	Utilities and maintenance expense paid	2,087,879	2,295,623
	Payment made for vehicle purchased	-	12,478,500
	Expense recorded on account of utilities and maintenance payable	-	2,058,558
	Payment made on account of trade and other payable	-	1,085,850
	Long term security deposit paid against rent	-	10,000,000
	Utilities expense	1,989,827	-
Associated Companies			
Escorts Capital Limited			
	Advance for acquisition of asset	-	16,000,000
Bahria Grand Hotel and Resort			
	Entertainment expense	33,538	114,636
	Payment of entertainment expense	41,588	106,586
The Safari Club			
	Entertainment expense	6,000	-
	Payment of entertainment expense	6,000	-
Executives	Remuneration to key management personnel	8,873,707	12,605,798
Others	Contribution to staff retirement benefits plan	1,298,919	967,152
		30-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
Balance at year end			
Holding Company			
	Trade and other payables	236,864	334,916
	Security deposit against branches	25,000,000	25,000,000
Associated Companies			
	Entertainment	-	8,050
	Employees provident fund	437,382	424,644

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2021.

The Company's financial risk management objective and policies are consistent with those disclosed in the annual financial statements of the Company and for the year ended 30 June 2021.

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

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

19. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 25 February 2022.

20. GENERAL

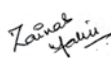
In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Chairperson










Chief Financial Officer










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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