

# 2022

## QUARTERLY REPORT

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**Escorts  
Investment  
Bank**

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED **30 SEPTEMBER 2022**

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Syed Tahir Nawazish  
(Chairman)

Mr. Rashid Aziz  
Mr. Muhammad Mubashir Hussain  
Khawaja Nadeem Abbas  
Mr. Muhammad Rasheed Alam  
Ms. Madiha Arooj

## AUDIT COMMITTEE

Mr. Rashid Aziz .....(Chairman)  
Khawaja Nadeem Abbas.....(Member)  
Syed Tahir Nawazish.....(Member)

## HUMAN RESOURCE & REMUNERATION (HRR) COMMITTEE

Mr. Rashid Aziz .....(Chairman)  
Mr. Muhammad Rasheed Alam...(Member)  
Syed Tahir Nawazish.....(Member)

## RISK MANAGEMENT COMMITTEE

Mr. Rashid Aziz .....(Chairman)  
Syed Tahir Nawazish.....(Member)  
Khawaja Nadeem Abbas.....(Member)

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Usman Khalid, ACA

## COMPANY SECRETARY

Sheikh Faisal Saeed, APA

## EXTERNAL AUDITORS

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

## 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

Ground Floor, 26-Davis Road, Lahore.  
Tel: (92-42) 36361393-5  
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info@escortsbank.net  
UAN: 042 111 003 425  
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# DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited ("Company") is pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the period ended on 30 Sep 2022.

## ECONOMY REVIEW

It is irrefutable fact that financial year 2021-2022 had recorded unparalleled circumstances in shape of continuing political instability (domestic and international), change of Government, record raise inflation rate and the torrential rains/flood in Pakistan. These factors have placed the economy under severe financial and humanitarian crises. Further the international credit rating agencies have recently downgraded the rating of Pakistan considering these factors which may worsen the position of Pakistan to meet its financial needs.

Amid the collapse of infrastructure during floods, Pakistan's Government has raised their voice in United Nations against the climatic changes that caused this catastrophic event in the country and the nation cannot be left alone to face it on their thin resources, hence the world needs to play their part. Now the world has joined hands to help Pakistan in combating the challenges of rehabilitating the locals with dignity. Nevertheless, this would have far reaching impacts over the economy which may stretch upto years.

To counter the inflationary pressure and for sustainable economic recovery, SBP moved to monetary policy normalization and rate increased by cumulative 675 bps between September-April, FY2022 and keep it unchanged in Oct 2022 which now stands at 15 percent.

## BUSINESS AND OPERATION REVIEW

During the period, EIBL posted loss before tax of Rs. 8.804 million as against Rs. 7.857 million of corresponding last year. In first quarter, Company remained successful in setting certain numbers in right direction which is clearly evident from the results i.e., Company booked revenue of Rs. 20.635 million on account of business activities as opposed to Rs. 18.171 million of corresponding last year's period which is 13.560% increased.

Further, the efforts to curtail the leakage in shape of provisions for delinquent customers remained successful and recorded an amount of Rs. 0.646 million as against a hefty amount provided last year i.e., Rs 5.545 million.

Your Company is also fully cognizant of the position raised after the flooding in various cities of Pakistan. Well, your Company is currently not at potential risk of facing severe losses whereas its potential impacts over future business is yet to determine.

The financial results are as under:

Description	Quarter ended	
	30 Sep 2022	30 Sep 2021
Revenue	28,575,260	35,827,840
Loss before provision & taxation	(8,803,576)	(7,857,437)
Provisions - net	(631,307)	(5,544,878)
Taxation expense	(215,337)	(131,534)
Loss after taxation	(9,018,913)	(7,988,971)
Earning per share	(0.07)	(0.06)

## 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,



Mr. Rashid Aziz  
Director



Syed Tahir Nawazish  
Chairman

# ڈائریکٹرز کی رپورٹ

ایسکائرس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کے مجموعی عبوری مالیاتی گوشوارے (غیر آڈٹ شدہ) معہ ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی کا اظہار کرتے ہیں۔

## معیشت کا جائزہ

یہ ناقابل تردید حقیقت ہے کہ مالی سال 2021-2022 کے دوران مسلسل سیاسی عدم استحکام (مکلی اور بین الاقوامی)، حکومت کی تبدیلی، مہنگائی کی شرح میں ریکارڈ اضافہ اور پاکستان میں طوفانی بارشوں اور سیلاب کی وجہ سے بدترین حالات کا سامنا رہا۔ ان عوامل نے معیشت کو شدید مالی اور انسانی بحرانوں میں مبتلا کر دیا ہے۔ مزید برآں بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے حال ہی میں ان عوامل کو مد نظر رکھتے ہوئے پاکستان کی ریٹنگ کو کم کیا ہے جو اس کی مالی ضروریات کو پورا کرنے کے لیے پاکستان کی پوزیشن کو مزید خراب کر سکتے ہیں۔ حکومت پاکستان نے اقوام متحدہ میں ان موٹی تبدیلیوں کے خلاف آواز اٹھائی ہے جن کے باعث ملک میں سیلاب آیا اور انفراسٹرکچر کی تباہی رونما ہوئی اور بین الاقوامی برادری پر زور دیا کہ پاکستانی قوم کو محدود وسائل کے بروئے کار اس کا سامنا کرنے کے لیے تہمتیں چھوڑا جانا چاہیے، اور دنیا کو اپنی ذمہ داری پوری کرنی چاہیے۔ اب بین الاقوامی برادری، مقامی لوگوں کی باوقار بحالی کے چیلنجوں سے نمٹنے میں پاکستان کی مدد کے لیے کٹھی ہو گئی ہے۔ بہر حال، اس کے معیشت پر دور رس اثرات مرتب ہوں گے جو برسوں تک پھیل سکتے ہیں۔

افراط زر کے دباؤ کا مقابلہ کرنے اور بائیں راہ اقتصادی بحالی کے لیے، SBP نے مینٹری پالیسی کو معمول پر لانے کی طرف قدم بڑھا دیا ہے اور ستمبر-اپریل، FY2022 کے درمیان مجموعی طور پر 675 bps کا اضافہ کیا اور اسے اکتوبر 2022 میں برقرار رکھا جو اب 15 فیصد پر ہے۔

## کاروبار اور آپریشن کا جائزہ

زیر جائزہ مدت کے دوران نقصان 8,804 ملین روپے ہے جو گذشتہ سال کی اسی مدت کے دوران 7,857 ملین روپے تھا۔ پہلی سہ ماہی میں، کمپنی صحیح سمت میں مخصوص نمبروں کو ترتیب دینے میں کامیاب رہی جو نتائج سے واضح طور پر ظاہر ہے یعنی کمپنی نے 20,635 ملین روپے کاروبار یونٹ تک کیا جو گذشتہ سال کی اسی مدت کے دوران 18,171 ملین روپے تھا جو کہ 13,560 فیصد زیادہ ہے۔

مزید برآں، ناآئندہ صارفین سے وصولی پر خصوصی توجہ کی وجہ سے پروڈن کی مد میں 0.646 ملین روپے بک گئے جو کہ پچھلے سال اسی مدت کے دوران 5,545 ملین روپے تھے۔ آپ کی کمپنی پاکستان کے مختلف شہروں میں سیلاب کے بعد اٹھائے گئے اقدامات سے بھی پوری طرح آگاہ ہے۔ ٹھیک ہے، آپ کی کمپنی فی الحال شدید نقصانات کا سامنا کرنے کے ممکنہ خطرے میں نہیں ہے جبکہ مستقبل کے کاروبار پر اس کے ممکنہ اثرات کا تعین کرنا ابھی باقی ہے۔


## مالیاتی نتائج درج ذیل ہیں:


سہ ماہی مدت		تفصیلات
30 ستمبر، 2021	30 ستمبر، 2022	
35,827,840	28,575,260	آمدنی
(7,857,437)	(8,803,576)	خسارہ قبل از پروڈن اور ٹیکس
(5,544,878)	(631,307)	پروڈن
(131,354)	(215,337)	ٹیکس
(7,988,971)	(9,018,913)	خسارہ بعد از ٹیکس
(0.06)	(0.07)	فی شخص آمدنی

## اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کے لیے ان کے شکر گزار ہیں اور اپنا سرگزشتہ سال 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۔

مخائبہ/برائے بورڈ

  
سید طاہر نواز  
چیئرمین

  
راشد عزیز  
ڈائریکٹر

A black and white photograph of a hand pointing at a document. The document contains a table with columns and rows, and some text. The hand is in the foreground, pointing towards the right. The background is blurred, showing more of the document and possibly a laptop screen.

# Condensed Interim Financial Information

(Un-audited)

For the quarter ended 30 September 2022

# Condensed Interim Statement of Financial Position

As at 30 September 2022

	Note	30-Sep-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	171,131,957	180,251,427
Intangible assets	6	16,758,862	16,908,808
Long term investments		25,087,500	25,087,500
Long term finances	7	97,858,684	107,300,941
Long term deposits		9,614,274	11,114,274
Deferred tax asset - net	8	119,359,285	119,263,467
		439,810,562	459,926,417
<b>CURRENT ASSETS</b>			
Current portion of non-current assets		50,514,530	46,863,627
Short term investments	9	116,930,728	56,772,436
Short term finances	10	87,747,927	80,037,363
Short term advances		11,663,086	3,534,149
Prepayments		2,571,297	1,681,704
Interest accrued		10,990,364	10,881,406
Other receivables		5,618,318	5,322,001
Tax refunds due from the government		59,969,040	58,547,989
Cash and bank balances	11	40,897,930	116,323,821
		386,903,220	379,964,496
<b>TOTAL ASSETS</b>		<b>826,713,782</b>	<b>839,890,913</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 300,000,000 (2022: 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		158,584,246	158,584,246
Revenue reserve		(898,879,686)	(890,095,362)
Revaluation surplus on property and equipment		18,532,521	18,767,110
		634,237,081	643,255,994
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		54,624,544	60,463,977
<b>CURRENT LIABILITIES</b>			
Current portion of non-current liabilities		12,376,473	7,707,193
Trade and other payables	12	120,159,023	123,458,243
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		2,931,007	2,619,852
		137,852,157	136,170,942
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>826,713,782</b>	<b>839,890,913</b>

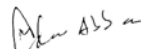
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chairman



Chief Financial Officer



DIRECTOR

# Condensed Interim Statement of Profit or Loss

For the quarter ended 30 September 2022 (Un-audited)

	Note	Quarter ended	
		30-Sep-22 Rupees (Un-audited)	30-Sep-21 Rupees (Un-audited)
<b>INCOME</b>			
Profit on financing		15,663,172	15,484,362
Return on investments		4,971,847	2,686,347
Income from fee and commission		1,518,100	768,921
Profit on bank deposits		1,993,738	833,161
Other income		4,428,403	16,055,049
		28,575,260	35,827,840
<b>EXPENSES</b>			
Administrative expenses	14	35,622,190	36,646,911
Finance cost		1,125,339	1,493,488
		36,747,529	38,140,399
Operating loss before provisions and taxation		(8,172,269)	(2,312,559)
Other operating expenses		(645,752)	(5,544,878)
Reversal of provision for doubtful finances		14,445	-
<b>Loss before taxation</b>		(8,803,576)	(7,857,437)
Taxation - net		(215,337)	(131,534)
<b>Loss after taxation</b>		(9,018,913)	(7,988,971)
Loss per share - basic and diluted		(0.07)	(0.06)

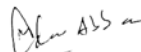
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Chairman



Chief Financial Officer



DIRECTOR



# Condensed Interim Statement of Comprehensive Income

For the quarter ended 30 September 2022 (Un-audited)

	Quarter ended	
	30-Sep-22 Rupees (Un-audited)	30-Sep-21 Rupees (Un-audited)
<b>Loss after taxation</b>	(9,018,913)	(7,988,971)
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
<i>(Loss) / profit on remeasurement of long term investments - net of tax</i>	-	1,250
Other comprehensive income for the period - net of tax	-	1,250
<b>Total comprehensive loss for the period</b>	(9,018,913)	(7,987,721)

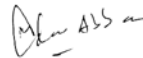
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Chairman



Chief Financial Officer



DIRECTOR

# Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2022 (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			
<b>Balance as at June 30, 2021 (audited)</b>	1,356,000,000	158,496,746	(95,000)	(694,661,186)	19,754,854	839,495,414
<b>Total comprehensive loss / gain for the period</b>	-	-	-	(7,988,971)	-	(7,988,971)
Net loss for the period	-	-	1,250	-	-	1,250
Other comprehensive (loss) / gain for the period	-	-	-	-	-	-
Total comprehensive loss	-	-	1,250	(7,988,971)	-	(7,987,721)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	246,936	(246,936)	-
<b>Balance as at September 30, 2021 (Un-audited)</b>	1,356,000,000	158,496,746	(93,750)	(702,403,221)	19,507,918	831,507,693
<b>Balance as at June 30, 2022 (audited)</b>	1,356,000,000	158,496,746	87,500	(890,095,362)	18,767,110	643,255,994
<b>Total comprehensive loss / gain for the period</b>	-	-	-	(9,018,913)	-	(9,018,913)
Net loss for the period	-	-	-	-	-	-
Other comprehensive (loss) / gain for the period	-	-	-	-	-	-
Total comprehensive loss	-	-	-	(9,018,913)	-	(9,018,913)
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	234,589	(234,589)	-
<b>Balance as at September 30, 2022 (Un-audited)</b>	1,356,000,000	158,496,746	87,500	(898,879,686)	18,552,521	634,237,081

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



Chairman



DIRECTOR

# Condensed Interim Statement of Cash Flows

For the quarter ended 30 September 2022 (Un-audited)

	Quarter ended	
	30-Sep-22 Rupees (Un-audited)	30-Sep-21 Rupees (Un-audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(8,803,576)	(7,857,437)
<b>Adjustment for non cash expenses and other items:</b>		
- Depreciation on property and equipment	3,344,866	3,536,647
- Depreciation on right of use assets	2,209,173	1,728,438
- Amortization on intangible assets	149,946	224,911
- Recovery against provision for doubtful long term finances	(14,445)	-
- Interest on lease liabilities against right of use assets	1,091,187	1,452,861
- Gain on sale of fixed assets - net	(3,682,570)	-
- Finance cost	34,152	40,627
- Provision for doubtful balances	645,752	5,544,878
- Gain on investment in short term investments	27	(1,864,579)
	3,778,088	10,663,783
	(5,025,488)	2,806,346
<b>Decrease / (increase) in operating assets</b>		
- Finances - net	(2,550,517)	20,112,315
- Investments	(60,158,319)	24,974,857
- Loan and advances	(8,128,937)	(272,670)
- Interest accrued	(108,958)	(369,582)
- Other receivables	(296,317)	167,871
- Deposits and prepayments	610,407	(686,597)
<b>Increase / (decrease) in operating liabilities</b>		
- Trade and other payables	(3,299,220)	(15,686,355)
	(73,931,861)	28,239,839
<b>Net cash used in operations</b>	(78,957,349)	31,046,185
Finance cost paid	(34,152)	(40,627)
Taxation - net	(1,421,051)	(483,846)
<b>Net cash used in operating activities</b>	(80,412,552)	30,521,712
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property and equipment	(25,500)	(90,000)
Proceeds from sale of property and equipment	7,273,500	-
<b>Net cash generated from / (used in) investing activities</b>	7,248,000	(90,000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(2,261,339)	(1,973,399)
<b>Net cash used in financing activities</b>	(2,261,339)	(1,973,399)
<b>Net Decrease in Cash and Cash Equivalents During the Period</b>	(75,425,891)	28,458,313
Cash and cash equivalents at the beginning of the period	116,323,821	38,278,106
<b>Cash and Cash Equivalents at the End of the Period</b>	40,897,930	66,736,419

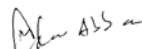
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Chairman



Chief Financial Officer



DIRECTOR

# Selected Notes to the Condensed Interim Financial Statements

For the quarter ended 30 September 2022 (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. The registered office of the Company is situated at 26-Davis Road, Lahore

The Pakistan Credit Rating Agency (PACRA) has maintained long term and short term Credit Ratings of the Company at “A-” and “A2” respectively with developing outlook on 25, March 2022. 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 VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where the provisions of and directives issued under the Companies, Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, 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 2022. 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 2022. 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 2022.

#### 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 2022.

	Note	30-Sep-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	5.1	121,571,067	128,506,864
Right-of-use assets		49,122,138	51,331,311
Advances for purchase of assets		438,752	413,252
		171,131,957	180,251,427
<b>5.1 Operating fixed assets</b>			
Opening net book value		128,506,864	137,674,169
Cost of addition	5.1.1	-	13,285,787
Less: Book value of deletion during period / year		3,590,931	8,442,729
Less: Depreciation for the period / year	14	3,344,866	14,010,363
Closing net book value		121,571,067	128,506,864
<b>5.1.1 Cost of addition</b>			
Improvement on freehold premises		-	5,352,208
Office furniture and fixtures		-	587,000
Computer equipments		-	5,536,679
Office equipments		-	1,809,900
		-	13,285,787
<b>6. INTANGIBLE ASSETS</b>			
Accounting software	6.1	1,649,607	1,799,553
Cards and rooms		12,000,000	12,000,000
Advance for ERP implementation		3,109,255	3,109,255
		16,758,862	16,908,808
<b>6.1 Accounting software</b>			
<b>Net carrying value</b>			
At 01 July		1,799,553	2,699,196
Less: Amortization charge	14	149,946	899,643
		1,649,607	1,799,553

	Note	30-Sep-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
<b>7. LONG TERM FINANCES</b>			
House finance - secured	7.1	129,855,990	142,273,147
Micro finance	7.2	30,744,861	24,369,459
Others	7.3	25,588,074	25,602,519
		186,188,925	192,245,125
Less: Allowance for expected credit losses		39,827,972	40,112,375
		146,360,953	152,132,750
Less: Current maturity		48,348,545	44,697,642
Less: General provision for micro finance portfolio		153,724	134,167
		97,858,684	107,300,941

**7.1** It represents amount disbursed to house finance customers at return rate ranging from 14.04% to 22.37% (30 June 2022: 14.04% to 22.37%) per annum for tenure of 02 to 20 years.

**7.2** It represents amount disbursed to micro finance customers at return rate ranging from 40.50% to 45% (30 June 2022: 37% to 45%) per annum for tenure of 01 to 2 years.

**7.3** These finance facilities are secured by hypothecation of or charge on assets, mortgage of property, lien over bank deposits and pledge of stocks. The expected rate of return range from 12% to 20% (30 June 2022: 12% to 20%) per annum.

## 8. DEFERRED TAX ASSET - NET

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

	Note	30-Sep-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
<b>9. SHORT TERM INVESTMENTS</b>			
<b>Amortised cost</b>			
Treasury bills	9.1	110,328,107	49,612,507
<b>Fair value through profit or loss (FVTPL)</b>			
Mutual funds 469.4184 (2022: 469.4184) units of Rs. 6.4080(2022: Rs. 6.4666) each		3,008	3,035
<b>Shares - Others</b>	9.2	6,599,613	7,156,894
		116,930,728	56,772,436
<b>9.1 Treasury bills</b>			
Face Value		113,000,000	50,000,000
Less: Discount		2,671,893	387,493
		110,328,107	49,612,507

**9.1.1** Investment in treasury bills is made for 3 months tenure and effectively yield ranging from 15.60% to 15.75% (30 June 2022: 12.75% to 14.45%) per annum.

## 9.2 Shares - Others

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 on statement of financial position as an asset and a corresponding liability of the same amount.

	Note	30-Sep-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
<b>10. SHORT TERM FINANCES</b>			
Micro finance		97,368,676	88,761,959
Others		14,426,871	14,426,871
		111,795,547	103,188,830
Less: Allowance for expected credit losses		23,560,777	22,811,367
Less: General provision for micro finance portfolio		486,843	340,100
		87,747,927	80,037,363
<b>11. CASH AND BANK BALANCES</b>			
Cash in hand		1,475,310	199,224
Cash with banks:			
Current accounts with:			
State Bank of Pakistan		189,508	189,508
Others		2,945,589	36,560,453
		3,135,097	36,749,961
Saving and deposit accounts	11.1	36,287,523	79,374,636
		40,897,930	116,323,821

**11.1** Rate of return on these accounts range from 12.25% to 13.50% (30 June 2022: 6.50% to 12.25% ) per annum.

## 12. TRADE AND OTHER PAYABLES

This includes an amount of Rs. 77.423 million (30 June 2022: Rs. 77.423 million ) payable to depositors. This remained unpaid due to non-submission of succession certificates (by legal heirs of depositors), lien created by Bahria Town and other legal issues.

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 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 2022.

		<b>30-Sep-22</b> <b>Rupees</b> <b>(Un-audited)</b>	<b>30-Jun-22</b> <b>Rupees</b> <b>(Audited)</b>
<b>13.2</b>	<b>Commitments</b>		
	ERP implementation agreement	4,071,174	4,071,174
		<b>Quarter ended</b>	
		<b>30-Sep-22</b>	<b>30-Sep-21</b>
		<b>Rupees</b>	<b>Rupees</b>
	<b>Note</b>	<b>(Un-audited)</b>	<b>(Un-Audited)</b>
<b>14.</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Salaries, allowance and other benefits	20,303,444	20,004,294
	Staff training and welfare	-	7,500
	Rent, rates and taxes	1,804,700	197,065
	Utilities	1,440,822	1,958,502
	Communication charges	611,404	770,452
	Travelling and vehicle maintenance	503,013	1,017,219
	Repair and maintenance	756,319	708,840
	Entertainment	185,903	212,345
	Fee and subscriptions	920,243	677,026
	Legal and professional charges	2,345,111	4,281,869
	Printing and stationery	298,627	282,673
	Insurance	748,619	1,004,410
	Depreciation on property and equipment	3,344,866	3,536,647
	Depreciation on right of use assets	2,209,173	1,728,438
	Amortization on intangible assets	149,946	224,911
	Miscellaneous expenses	-	34,720
		<b>35,622,190</b>	<b>36,646,911</b>

**14.1** This includes contribution to provident fund amounting to Rs. 0.568 million (30 September 2021: Rs. 0.633 million) made by the Company in the approved provident fund trust.

## **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.

### Quarter ended 30 September 2022 (Un-audited) (Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	6,290,483	9,372,689	-	-	15,663,172
Income from fee and commission	-	1,518,100	-	-	1,518,100
Return on investments	-	-	-	6,965,585	6,965,585
Other income - net	521,619	238,659	-	-	760,278
<b>Total income for reportable segments</b>	<b>6,812,102</b>	<b>11,129,448</b>	<b>-</b>	<b>6,965,585</b>	<b>24,907,135</b>
Finance costs	10,123	1,100,530	-	14,686	1,125,339
Administrative expenses	9,598,792	24,429,997	-	1,593,401	35,622,190
Other operating expenses	-	645,752	-	-	645,752
<b>Segment result</b>	<b>(2,796,813)</b>	<b>(15,046,831)</b>	<b>-</b>	<b>5,357,498</b>	<b>(12,486,146)</b>
Other income - unallocated					3,682,570
Loss before taxation					(8,803,576)

### As at 30 September 2022 (Un-audited) (Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
<b>Segment assets</b>	<b>144,171,634</b>	<b>207,190,624</b>	<b>2,165,985</b>	<b>143,461,900</b>	<b>496,990,143</b>
cash and bank balance					40,897,930
Unallocated assets					288,825,709
					826,713,782
<b>Segment liabilities</b>	<b>2,039,116</b>	<b>68,983,282</b>	<b>-</b>	<b>931,374</b>	<b>71,953,772</b>
Unallocated liabilities					120,522,929
Equity					634,237,081
					826,713,782

Quarter ended 30 September 2021 (Un-audited) (Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	6,725,825	8,758,537	-	-	15,484,362
Income from fee and commission	24,021	744,900	-	-	768,921
Return on investments	-	-	-	3,519,508	3,519,508
<b>Total income for reportable segments</b>	<b>6,749,846</b>	<b>9,503,437</b>	<b>-</b>	<b>3,519,508</b>	<b>19,772,791</b>
Finance costs	14,589	1,461,198	232	17,469	1,493,488
Administrative expenses	13,351,270	21,488,090	149,247	1,658,304	36,646,911
Other operating expenses	3,928,555	1,616,323	-	-	5,544,878
Segment result	(10,544,568)	(15,062,174)	(149,479)	1,843,735	(23,912,486)
Other income - net					16,055,049
Loss before taxation					(7,857,437)

As at 30 June 2022(Audited)

(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
<b>Segment assets</b>	<b>139,348,536</b>	<b>167,952,733</b>	<b>2,165,985</b>	<b>83,252,100</b>	<b>392,719,354</b>
Cash and bank balances					116,323,821
Unallocated assets					330,847,738
					<u>839,890,913</u>
<b>Segment liabilities</b>	<b>2,650,712</b>	<b>69,479,673</b>	<b>2,165,985</b>	<b>983,356</b>	<b>75,279,726</b>
Unallocated liabilities					121,355,193
Equity					643,255,994
					<u>839,890,913</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	Nature of transaction	Quarter ended	
		30-Sep-22 Rupees (Un-audited)	30-Sep-21 Rupees (Un-Audited)
<b>Transactions during the period</b>			
<b>Holding Company</b>	<b>Bharia Town private limited</b>		
	Rent expense	1,500,000	-
	Utilities expense	167,167	1,227,208
<b>Associated Companies</b>	<b>The Safari Club</b>		
	Entertainment expense	-	6,000
<b>Executives</b>	Remuneration to key management personnel	3,938,518	5,384,513
<b>Others</b>	Contribution to staff retirement benefits plan	568,217	636,201
		<b>30-Sep-22 Rupees (Un-audited)</b>	<b>30-Jun-22 Rupees (Audited)</b>
<b>Outstanding Balance at period / year end</b>			
<b>Holding Company</b>			
	Trade and other payables	489,872	322,705
	Other receivable	836,550	836,550
	Security deposit against branches	9,127,674	10,627,674
<b>Associated Companies</b>	<b>Other Associated Companies</b>		
	Employees provident fund	1,490	1,490

## 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 2022.

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 2022.

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 October 22, 2022. However, in purview of the vacancy created in CEO office, Board has authorized two (02) Directors and Chief Financial Officer to sign the financial statements on behalf of the Board for the quarter ended 30 September 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 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.

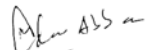
Figures have been rounded off to the nearest rupees.



Chairman



Chief Financial Officer

















DIRECTOR



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