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HALF YEARLY
REPORT

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Escorts
Investment
Bank

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED **31 DECEMBER 2022**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Tahir Nawazish
(Chairman)

Mr. Basit Rehman Malik
Chief Executive / Director

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. Basit Rehman Malik.....(Member)

Syed Tahir Nawazish.....(Member)

RISK MANAGEMENT COMMITTEE

Mr. Rashid Aziz(Chairman)

Syed Tahir Nawazish.....(Member)

Mr. Basit Rehman Malik(Member)

CHIEF FINANCIAL OFFICER

Mr. Hafiz Muhammad Usman

COMPANY SECRETARY

Sheikh Faisal Saeed, APFA

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

www.escortsbank.net

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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 31 December 2022 and Auditor's Review report thereon.

ECONOMY REVIEW

Natural calamities have negative impact on the economy and unfortunately, Pakistan had been hit severely by floods, during this fiscal year. Infrastructure, houses, crops and livestock have been washed away by the floods and subsequently it has resulted in scarcity of food and commodities which has further worsened the prevailing inflation wave.

International price hike and considerable devaluation of the Rupee against Dollar, has also played its role in raising the inflation rate to its highest historically.

To cope with the inflation, the State Bank of Pakistan has been increasing the policy rate gradually and in the monetary policy of January 2023 policy rate has reached at 17%.

BUSINESS AND OPERATION REVIEW

During the period under review, the Company continues to follow a conservative approach toward writing new business. As at 31st December 2022, the house finance and microfinance portfolio stood at Rs.121.615 million and Rs. 137.681 million respectively. Management has its focus on the recovery of the overdues The Company has booked Rs. 1.073 million on account of provisioning as against Rs. 11.047 million for the corresponding period last year.

The loss for the period under review is Rs. 22.944 million as against Rs. 35.103 million for the corresponding period last year.

The financial results are as under:

Description	Half Year Ended	
	31 Dec 2022	31 Dec 2021
Revenue	55,718,490	57,829,126
Loss before provision & taxation	(21,432,583)	(23,774,153)
Provisions - net	(1,072,960)	(11,046,878)
Taxation expense	(438,629)	(281,599)
Loss after taxation	(22,944,172)	(35,102,630)
Earning per share	(0.07)	(0.26)

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customers 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,



Basit Rehman Malik
Chief Executive / Director



Syed Tahir Nawazish
Director

ڈائریکٹرز کی رپورٹ

ایسکارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کی رپورٹ اور کمپنی کے 31 دسمبر 2022 کو اختتام پذیر ہونے والی مدت کے غیر آڈٹ شدہ مالی گوشوارے بعد آڈیٹرز کی جائزہ رپورٹ پیش کرنے میں مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

قدرتی آفات کے معیشت پر منفی اثرات مرتب ہوتے ہیں اور بد قسمتی سے پاکستان اس مالی سال کے دوران سیلاب سے شدید متاثر ہوا۔ انفراسٹرکچر، مکانات، فصلیں اور مویشی سیلاب میں بہہ گئے اور اس کے نتیجے میں خوراک اور اشیاء کی قلت پیدا ہو گئی، جس سے مہنگائی کی شدت میں مزید اضافہ ہوا ہے۔

بین الاقوامی قیمتوں میں اضافے اور ڈالر کے مقابلے روپے کی قدر میں کمی نے بھی مہنگائی کی شرح کو تاریخ کی بلند ترین سطح تک پہنچانے میں اپنا کردار ادا کیا ہے۔

مہنگائی سے نمٹنے کے لیے اینٹی بینک آف پاکستان پالیسی ریٹ میں بتدریج اضافہ کر رہا ہے اور جنوری 2023 کی ماہی پالیسی میں پالیسی ریٹ 17 فیصد تک پہنچ گیا ہے۔

کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران کمپنی نے محتاط کاروباری رویہ جاری رکھا۔ 31 دسمبر 2022 تک، ہاؤس فنانس اور مائیکرو فنانس پورٹ فولیو بالترتیب 121.615 اور 137.681 ملین روپے رہا۔ انتظامیہ کی توجہ زائد المعیاد واجب الوصول رقوم کی وصولی پر ہے کمپنی نے پرویزن کی مد میں 1.073 ملین روپے کا اندراج کیا ہے جو کہ گزشتہ سال کی اسی مدت کے دوران 11.047 ملین روپے تھی۔

مالیاتی نتائج درج ذیل ہیں:

نصف سال ختم		تفصیلات
31 دسمبر، 2021	31 دسمبر، 2022	
57,829,126	55,718,490	آمدنی
(23,774,153)	(21,432,583)	خسارہ قرض از پرویزن اور ٹیکس
(11,046,878)	(1,072,960)	پرویزن
(281,599)	(438,629)	ٹیکس
(35,102,630)	(22,944,172)	خسارہ بعد از ٹیکس
(0.26)	(0.17)	فی حصص آمدنی

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



باسط رحمان ملک
چیف ایگزیکٹو/ ڈائریکٹر

A black and white photograph of a hand pointing at a document. The document contains a table with several columns and rows, and some text. The hand is in the foreground, with the index finger 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 Period ended 31 December 2022

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, 2022 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, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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.

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



Dated: February 27, 2023

Karachi

UDIN: RR202210297xvGe8ON3k

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

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

Condensed Interim Statement of Financial Position

As at 31 December 2022

	Note	31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	167,130,908	180,251,427
Intangible assets	6	16,608,914	16,908,808
Long term investments		25,087,500	25,087,500
Long term finances	7	88,924,432	107,300,941
Long term deposits		8,204,274	11,114,274
Deferred tax asset - net	8	119,455,103	119,263,467
		425,411,131	459,926,417
CURRENT ASSETS			
Current portion of non-current assets		54,041,491	46,863,627
Short term investments		6,263,663	56,772,436
Short term finances		94,039,733	80,037,363
Short term advances		13,542,964	3,534,149
Prepayments		1,674,938	1,681,704
Interest accrued		11,812,089	10,881,406
Other receivables		6,166,009	5,322,001
Tax refunds due from the government		61,254,740	58,547,989
Cash and bank balances	9	137,984,057	116,323,821
		386,779,684	379,964,496
TOTAL ASSETS		812,190,815	839,890,913
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		(912,570,356)	(890,095,362)
Revaluation surplus on property and equipment		18,297,932	18,767,110
		620,311,822	643,255,994
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		57,160,187	60,463,977
CURRENT LIABILITIES			
Current portion of non-current liabilities	10	8,528,377	7,707,193
Trade and other payables	11	120,554,658	123,458,243
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		3,250,117	2,619,852
		134,718,806	136,170,942
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		812,190,815	839,890,913

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Profit or Loss

For the half year and quarter ended 31 December 2022 (un-audited)

	Half Year Ended		Quarter ended	
	31-Dec-22 Rupees Note (Un-audited)	31-Dec-21 Rupees (Un-audited)	31-Dec-22 Rupees (Un-audited)	31-Dec-21 Rupees (Un-audited)
INCOME				
Profit on financing	33,211,803	29,329,413	17,548,631	13,845,051
Return on investments	8,732,963	4,350,764	3,761,116	1,664,417
Income from fee and commission	3,030,701	1,562,461	1,512,601	793,540
Profit on bank deposits	4,472,322	2,611,738	2,478,584	1,778,577
Other income	6,270,701	19,974,750	1,842,298	3,919,701
	55,718,490	57,829,126	27,143,230	22,001,286
EXPENSES				
Administrative expenses	13 74,922,674	79,178,320	39,300,484	42,558,234
Finance cost	2,228,399	2,424,959	1,103,060	931,471
	77,151,073	81,603,279	40,403,544	43,489,705
Operating loss before provisions and taxation	(21,432,583)	(23,774,153)	(13,260,314)	(21,488,419)
Provision against doubtful finances & Write offs - Net	14 (1,072,960)	(11,046,878)	(427,208)	(5,475,175)
Loss before taxation	(22,505,543)	(34,821,031)	(13,687,522)	(26,963,594)
Taxation - net	(438,629)	(281,599)	(223,292)	(150,065)
Loss after taxation	(22,944,172)	(35,102,630)	(13,910,814)	(27,113,659)
Loss per share - basic and diluted	(0.17)	(0.26)	(0.10)	(0.20)

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the half year and quarter ended 31 December 2022 (un-audited)

	Half Year Ended		Quarter ended	
	31-Dec-22 Rupees (Un-audited)	31-Dec-21 Rupees (Un-audited)	31-Dec-22 Rupees (Un-audited)	31-Dec-21 Rupees (Un-audited)
Loss after taxation	(22,944,172)	(35,102,630)	(13,910,814)	(27,113,659)
Other comprehensive income/(loss)				
<i>Items that will not be reclassified to statement of profit or income/(loss)</i>	-	-	-	-
<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>	-	1250	-	-
Other comprehensive income for the period - net of tax	-	1250	-	-
Total comprehensive income/(loss) for the period	(22,944,172)	(35,101,380)	(13,910,814)	(27,113,659)

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the half year ended 31 December 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	Accumu- lated loss			
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) / gain for the period	-	-	-	(35,102,630)	-	(35,102,630)	
Net loss for the period	-	-	1,250	-	-	1,250	
Other comprehensive (loss) / gain for the period	-	-	-	-	-	-	
Total comprehensive (loss) / gain	-	-	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	
Balance as at June 30, 2022 (audited)	1,356,000,000	158,496,746	87,500	(890,095,362)	18,767,110	643,255,994	
Total comprehensive (loss) / gain for the period	-	-	-	(22,944,172)	-	(22,944,172)	
Net (loss) for the period	-	-	-	-	-	-	
Other comprehensive (loss) / gain for the period	-	-	-	-	-	-	
Total comprehensive (loss) / gain	-	-	-	(22,944,172)	-	(22,944,172)	
Transfer from surplus on revaluation of property and equipment on account of Incremental depreciation on revalued asset for the period - net of tax	-	-	-	469,178	(469,178)	-	
Balance as at December 31, 2022 (Un-audited)	1,356,000,000	158,496,746	87,500	(912,570,356)	18,297,932	620,311,822	

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



Chief Executive Officer



DIRECTOR

Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the half year ended 31 December 2022 (un-audited)

	Half year ended	
	31-Dec-22 Rupees (Un-audited)	31-DEC-21 Rupees (Un-audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(22,505,543)	(34,821,031)
Adjustment for non cash expenses and other items:		
- Depreciation on property and equipment	6,595,403	7,084,752
- Depreciation on right of use assets	4,418,346	3,853,027
- Amortization on intangible assets	299,894	449,820
- Interest on lease liabilities against right of use assets	2,159,864	2,356,696
- Gain on sale of fixed assets - net	(4,840,311)	-
- Finance cost	68,535	68,263
- Provision for doubtful balances & write off - Net	1,072,960	11,046,878
- Gain on investment in short term investments	27	(2,078,881)
	9,774,718	22,780,555
	(12,730,825)	(12,040,476)
Decrease / (increase) in operating assets		
- Finances - net	(3,876,685)	29,296,918
- Investments	50,508,746	30,685,603
- Loan and advances	(9,774,677)	1,513,321
- Interest accrued	(930,683)	800,749
- Other receivables	(844,008)	524,955
- Deposits and prepayments	2,916,766	3,485
Increase / (decrease) in operating liabilities		
- Trade and other payables	(2,903,585)	(21,311,758)
	35,095,874	41,513,273
Net cash used in operations	22,365,049	29,472,797
Finance cost paid	(68,535)	(68,263)
Taxation - net	(2,706,751)	(1,031,805)
Net cash used in operating activities	19,589,763	28,372,729
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property and equipment	(2,543,106)	(2,106,650)
Proceeds from sale of property and equipment	9,256,047	-
Net cash generated from / (used in) investing activities	6,712,941	(2,106,650)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(4,642,468)	(4,627,421)
Net cash used in financing activities	(4,642,468)	(4,627,421)
Net Decrease in Cash and Cash Equivalents During the Period	21,660,236	21,638,658
Cash and cash equivalents at the beginning of the period	116,323,821	38,278,106
Cash and Cash Equivalents at the End of the Period	137,984,057	59,916,764

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



Chief Executive Officer



DIRECTOR



Chief Financial Officer

Selected Notes to the Condensed Interim Financial Statements

For the half year ended 31 December 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 Ground Floor, 26 Davis Road, 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 Tek singh, 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 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 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 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	31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	120,038,829	128,506,864
Right-of-use assets		46,912,965	51,331,311
Advances for purchase of assets		179,114	413,252
		167,130,908	180,251,427
5.1 Operating fixed assets			
Opening net book value		128,506,864	137,674,169
Cost of addition	5.1.1	2,543,106	13,285,787
Less: Book value of deletion during period / year		4,415,738	8,442,729
Less: Depreciation for the period / year	13	6,595,403	14,010,363
Closing net book value		120,038,829	128,506,864

		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
5.1.1 Cost of addition			
Improvement on freehold premises		175,000	5,352,208
Improvement on leasehold premises		819,148	-
Office furniture and fixtures		928,041	587,000
Computers		552,481	5,536,679
Office equipment		68,436	1,809,900
		2,543,106	13,285,787
6. INTANGIBLE ASSETS			
Accounting software	6.1	1,499,659	1,799,553
Cards and rooms		12,000,000	12,000,000
Advance for ERP implementation		3,109,255	3,109,255
		16,608,914	16,908,808
6.1 Accounting software			
Net carrying value			
At 01 July		1,799,553	2,699,196
Less: Amortization charge	13	299,894	899,643
		1,499,659	1,799,553
7. LONG TERM FINANCES			
Considered Good	7.1	119,469,862	129,191,243
Considered doubtful		61,010,773	63,053,882
		180,480,635	192,245,125
Less: Allowance for expected credit losses		39,584,288	40,112,375
		140,896,347	152,132,750
Less: Current maturity		51,875,506	44,697,642
Less: General provision for micro finance portfolio		96,409	134,167
		88,924,432	107,300,941
7.1 CONSIDERED GOOD			
House finance - secured	7.1.1	100,188,097	119,449,044
Micro finance	7.1.2	19,281,765	9,742,199
		119,469,862	129,191,243

7.1.1 It represents amount disbursed to house finance customers at return rate ranging from 17.19% to 24.23% (30 June 2022: 14.04% TO 22.37%) 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 40.50% to 45% (30 June 2022: 37% TO 45%) per annum for tenure of 01 to 2 years.

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.

		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
9. CASH AND BANK BALANCES			
Cash in hand		1,559,100	199,224
Cash with banks:			
Current accounts with:			
State Bank of Pakistan		189,508	189,508
Others		111,214,165	36,560,453
Saving and deposit accounts	9.1	111,403,673 25,021,284	36,749,961 79,374,636
		137,984,057	116,323,821

9.1 Rate of return on these accounts range from 12.25% to 15.20% (30 June 2022: 6.50% to 12.25%) per annum.

		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
10. CURRENT MATURITIES OF NON-CURRENT LIABILITIES			
Long term lease liabilities		6,362,392	5,541,208
Long term security deposits		2,165,985	2,165,985
		8,528,377	7,707,193

		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
11. TRADE AND OTHER PAYABLES			
Customers' credit balances		4,447,550	4,447,550
Certificate of depositors	11.1	77,423,404	77,423,404
Accrued expenses and other payables		38,413,238	41,585,809
Payable to employees provident fund		270,466	1,480
		120,554,658	123,458,243

11.1 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.

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 2022.

		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
	Note		
12.2 Commitments			
ERP implementation agreement		4,071,174	4,071,174

Note	Half Year Ended		Quarter ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)
13. ADMINISTRATIVE EXPENSES				
Salaries, allowance and other benefits	43,845,257	43,762,448	23,541,813	23,758,154
Staff training and welfare	-	7,500	-	-
Advertisement and business promotion	211,600	87,000	211,600	87,000
Rent, rates and taxes	3,605,500	370,865	1,800,800	173,800
Utilities	2,919,096	3,350,412	1,478,274	1,391,910
Communication charges	1,523,191	1,666,796	911,787	896,344
Travelling and vehicle maintenance	1,007,720	2,212,093	504,707	1,194,874
Repair and maintenance	1,845,723	1,727,547	1,089,404	1,018,707
Entertainment	491,626	527,314	305,723	314,969
Fee and subscriptions	1,631,156	1,302,868	710,913	625,842
Legal and professional charges	3,873,691	9,747,098	1,528,580	5,457,334
Printing and stationery	1,145,722	1,123,952	847,095	841,279
Insurance	1,508,749	1,904,828	760,130	900,418
Depreciation on property and equipment	6,595,403	7,084,752	3,250,537	3,548,105
Depreciation on right of use assets	4,418,346	3,853,027	2,209,173	2,124,589
Amortization on intangible assets	299,894	449,820	149,948	224,909
	74,922,674	79,178,320	39,300,484	42,558,234

14. PROVISION AGAINST DOUBTFUL FINANCES & WRITE OFFS - NET

Provision against financing - specific - net	978,257	10,883,739	498,805	5,283,603
Provision against financing - general	94,703	136,314	(71,597)	191,572
Write offs	-	26,825	-	-
	1,072,960	11,046,878	427,208	5,475,175

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 2022 (Un-audited) Rupees

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	12,396,511	20,815,292	-	-	33,211,803
Income from fee and commission	-	3,030,701	-	-	3,030,701
Return on investments	-	-	-	13,205,285	13,205,285
Other income - net	540,088	258,468	-	-	798,556
Total income for reportable segments	12,936,599	24,104,461	-	13,205,285	50,246,345
Finance costs	18,285	2,180,932	397	28,785	2,228,399
Administrative expenses	22,884,447	47,317,084	389,819	4,331,324	74,922,674
Provision against doubtful finances & Write offs - Net	-	1,072,960	-	-	1,072,960
Segment result	(9,966,133)	(26,466,515)	(390,216)	8,845,176	(27,977,688)
Other income - unallocated					5,472,145
Loss before taxation					(22,505,543)

As at 31 December 2022 (Un-audited)

(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	139,316,889	217,884,802	2,165,985	32,797,902	392,165,578
Unallocated assets					420,025,237
					812,190,815
Segment liabilities	1,929,424	57,995,945	12,563	909,714	60,847,646
Unallocated liabilities					131,031,347
Equity					620,311,822
					812,190,815

Six months ended 31 December 2021 (Un-audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
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
Provision against doubtful finances & Write offs - Net	-	11,046,878	-	-	11,046,878
Segment result	(19,893,814)	(37,031,885)	(388,185)	2,623,542	(54,690,342)
Other income - net					19,869,311
Loss before taxation					<u>(34,821,031)</u>

As at 30 June 2022(Audited)

(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	139,348,536	167,952,733	2,165,985	83,252,100	392,719,354
Cash and bank balances					116,323,821
Unallocated assets					330,847,738
					<u>839,890,913</u>
Segment liabilities	2,650,712	69,479,673	2,165,985	983,356	75,279,726
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	Half Year ended	
		31-Dec-22 Rupees (Un-audited)	31-Dec-21 Rupees (Un-Audited)
Transactions during the period			
Holding Company			
	Utilities and maintenance expense paid	258,329	2,087,879
	Rent expense	3,000,000	-
	Utilities expense	270,904	1,989,827
Associated Companies			
	Bahria Grand Hotel and Resort		
	Entertainment expense	-	33,538
	Payment of entertainment expense	-	41,588
	The Safari Club		
	Entertainment expense	-	6,000
	Payment of entertainment expense	-	6,000
Executives	Remuneration to key management personnel	7,293,707	8,873,707
Others	Contribution to staff retirement benefits plan	1,084,346	1,298,919
		31-Dec-22 Rupees (Un-audited)	30-Jun-22 Rupees (Audited)
Outstanding Balance at period / year end			
Holding Company			
	Trade and other payables	236,864	236,864
	Other receivable	836,550	836,550
	Security deposit against branches	7,627,674	25,000,000
Associated Companies			
	Other Associated Companies		
	Employees provident fund	270,466	437,382

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 27 February, 2023.

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



DIRECTOR



Chief Financial Officer



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