



**Escorts
Investment
Bank**

HALF YEARLY REPORT

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
31 DECEMBER 2023





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Tahir Nawazish
(Chairman)
Mr. Basit Rehman Malik
(Chief Executive Officer)
Ms. Madiha Arooj
Mr. Muhammad Rasheed Alam
Mr. Shahid Hosain Kazi*
Ms. Hifsa Saad Khan*
Ms. Sadia Khan*

*(Company has duly filed the related documents with SECP for seeking approval)

CHIEF FINANCIAL OFFICER

Ms. Najma Fazal

COMPANY SECRETARY

Kamran Chughtai

EXTERNAL AUDITORS

Ilyas Saeed & Company
Chartered Accountants

TAX CONSULTANTS

Ilyas Saeed & Company

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

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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 2023 and Auditors Review report thereon.

ECONOMY REVIEW

There have been positive indicators in the economy like the performance of Pakistan Stock Exchange (PSX). It has performed significantly well in November 2023 and KSE-100 index has risen by 8,550 points MoM basis and KSE-100 has outperformed all major global indices.

For the fiscal year 2024, Monetary Policy Committee (MPC) has revised the projected inflation earlier from 20-22% to 23-25% due to the rise in energy prices.

State Bank of Pakistan, in an emergency meeting in June 2023 raised the policy rate by 100 basis points to 22% and since then it has been kept steady in every subsequent Monetary Policy Committee meeting, and even in the monetary policy of January 2024 policy rate has been the same 22%.

BUSINESS AND OPERATION REVIEW

During the period under review, the Company has diversified the booking of new business on a mixed and match pattern in Secure and Unsecure lending. As at 31st December 2023, House Finance, microfinance and Gold Finance portfolios stood at Rs. 44.40 million, Rs. 148.23 million and 6.57 million respectively. The Company has booked Revenues of Rs. 75.74 million on account of revenues as against Rs. 55.72 million for the corresponding period last year, which shows an increase of 35.94% and operating loss has decreased considerably by 87.53% from Rs. 21.43 million to Rs. 2.67 million.

The loss after tax for the period under review is Rs. 0.93 million as against Rs. 22.94 million for the corresponding period last year. Which clearly shows that the Company is on the right track.

The financial results are as under:

Description	Half Year Ended	
	31 Dec 2023	31 Dec 2022
Revenue	75,742,239	55,718,490
Loss before provision & taxation	(2,672,947)	(21,432,583)
Provisions – net	(2,589,774)	(1,072,960)
Taxation expense	4,335,146	(438,629)
Loss after taxation	(927,575)	(22,944,172)
Earning per share	(0.01)	(0.17)

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
CEO & Director



Syed Tahir Nawazish
Chairman

ڈائریکٹرز کی رپورٹ

ایسکارٹس انویسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کی رپورٹ اور کمپنی کے 31 دسمبر 2023 کو اختتام پذیر ہونے والی مدت کے غیر آڈٹ شدہ مالی گوشوارے بمعہ آڈیٹرز کی جائزہ رپورٹ پیش کرنے میں مسرت کا اظہار کرتے ہیں۔

اقتصادی جائزہ

معیشت میں مثبت اشارے نظر آ رہے ہیں جیسے پاکستان اسٹاک ایکسچینج (PSX) کی کارکردگی، جس نے نومبر 2023 میں نمایاں طور پر اچھی کارکردگی کا مظاہرہ کیا ہے اور KSE-100 انڈیکس میں 8,550 پوائنٹس MoM کی بنیاد پر اضافہ ہوا ہے اور KSE-100 نے تمام بڑے عالمی انڈیکس کو پیچھے چھوڑ دیا ہے۔

مالی سال 2024 کے لیے، مانیٹری پالیسی کمیٹی (MPC) نے توانائی کی قیمتوں میں اضافے کی وجہ سے پہلے کی متوقع افراط زر کو 20%-22% سے 23%-25% کر دیا ہے۔

اسٹیٹ بینک آف پاکستان نے جون 2023 میں ایک ہنگامی میٹنگ میں پالیسی ریٹ کو 100 پبیس پوائنٹس سے بڑھا کر 22 فیصد کر دیا تھا اور اس کے بعد سے ہر آنے والی مانیٹری پالیسی کمیٹی کے اجلاس میں اور جنوری 2024 کی مانیٹری پالیسی میں بھی اسے مستحکم رکھا گیا ہے اور یہ 22 فیصد پر ہے۔

کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران، کمپنی نے نئے کاروبار کی بنگ کو محفوظ اور غیر محفوظ قرضوں میں مخلوط اور متنوع بنایا ہے۔ 31 دسمبر 2023 تک، ہاؤس فنانس، مائیکرو فنانس اور گولڈ فنانس پورٹ فولیوز بالترتیب 44.40 ملین روپے، 148.23 ملین روپے اور 6.57 ملین روپے رہے۔ کمپنی کی آمدنی 75.74 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 55.72 ملین روپے تھی، جو 35.94 فیصد کا اضافہ ظاہر کرتا ہے۔ اور خسارے میں 87.53 فیصد کمی واقع ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 21.43 ملین روپے تھا جب کہ زیر جائزہ مدت کے دوران خسارہ 2.67 ملین روپے رہا۔

زیرِ جایزہ مدت کے دوران بعد از ٹیکس خسارہ 0.93 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت کے دوران 22.94 ملین روپے تھا۔ جس سے صاف ظاہر ہوتا ہے کہ کمپنی کی سمت درست ہو چکی ہے۔

مالیاتی نتائج درج ذیل ہیں:

نصف سال ختم		تفصیل
31 دسمبر 2022	31 دسمبر 2023	
55,718,490	75,742,239	آمدن
(21,432,583)	(2,672,947)	پروویژن اور ٹیکس سے پہلے نقصان
(1,072,960)	(2,589,774)	پروویژن - خالص
(438,629)	4,335,146	ٹیکس اخراجات
(22,944,172)	(927,575)	خسارہ بعد ٹیکس
(0.17)	(0.01)	فی شیئر آمدن

اعتراف

ڈائریکٹرز اپنے صارفین کے قابلِ قدر تعاون کے لیے اُن کے شکرگزار ہیں اور اسپانسرز کی مسلسل حمایت کے لیے اُن 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
چیرمین / ڈائریکٹر



باسط رحمن ملک
چیف ایگزیکٹو / ڈائریکٹر



**Condensed Interim
Financial Information
(Un-audited)**

For the period ended 31 December 2023

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Ilyas Saeed & Co.

Chartered Accountants

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, 2023 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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.

Other Matter

The condensed interim financial information for the half year ended December 31, 2022 and the annual financial statements for the year ended June 30, 2023 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 27, 2023 and October 04, 2023 respectively.

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

Dated: February 23, 2024

Lahore

UDIN: RR202310278mX6Q894Ad



Ilyas Saeed & Co.

Chartered Accountants

A member of

mgeworldwide



Other Offices: Islamabad – Karachi – Gujranwala

A member firm of MGI, an international network of independent accounting, audit, tax and consulting firms

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	151,074,496	152,905,670
Intangible assets	6	5,606,211	4,502,622
Long term investments		24,392,975	25,087,500
Long term finances	7	36,749,843	77,935,344
Net investment in lease finances		-	-
Long term deposits		8,276,274	8,222,274
Deferred tax asset - net		118,948,020	118,948,020
		345,047,819	387,601,430
CURRENT ASSETS			
Current portion of non-current assets		38,102,187	34,724,427
Short term investments	8	129,935,956	119,900,864
Short term finances	9	97,546,265	90,978,260
Short term advances		2,802,709	5,091,968
Prepayments		2,357,804	2,001,113
Interest receivable		11,409,996	11,551,681
Other receivables		6,932,271	6,451,451
Tax refunds due from the government		69,436,690	61,207,475
Cash and bank balances	10	43,151,023	46,944,371
		401,674,901	378,851,610
TOTAL ASSETS		746,722,720	766,453,040
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 300,000,000 (2023: 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		157,889,721	158,584,246
Revenue reserve		(938,267,960)	(937,786,103)
Revaluation surplus on property and equipment		17,383,036	17,828,754
		593,004,797	594,626,897
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	11	38,882,733	54,317,475
CURRENT LIABILITIES			
Current portion of non-current liabilities	12	9,094,841	3,817,255
Trade and other payables	13	103,354,695	109,957,745
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		-	1,348,014
		114,835,190	117,508,668
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		746,722,720	766,453,040

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	Half Year Ended		Quarter Ended	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
Income					
Profit on financing		34,006,250	33,211,803	17,963,623	17,548,631
Return on investments		14,713,745	8,732,963	6,410,909	3,761,116
Income from fee and commission		4,357,111	3,030,701	2,586,248	1,512,601
Profit on bank deposits		7,405,498	4,472,322	4,147,444	2,478,584
Other income		15,259,635	6,270,701	7,312,599	1,842,298
		75,742,239	55,718,490	38,420,823	27,143,230
Expenses					
Administrative expenses	15	74,947,397	74,922,674	37,292,673	39,300,484
Finance cost		3,467,789	2,228,399	1,947,423	1,103,060
		78,415,186	77,151,073	39,240,096	40,403,544
Operating loss before provisions and taxation		(2,672,947)	(21,432,583)	(819,273)	(13,260,314)
Other operating expenses	16	(2,589,774)	(1,072,960)	(591,932)	(427,208)
Loss before taxation		(5,262,721)	(22,505,543)	(1,411,205)	(13,687,522)
Taxation - net		4,335,146	(438,629)	1,288,651	(223,292)
Net loss for the period		(927,575)	(22,944,172)	(122,554)	(13,910,814)
Loss per share - basic and diluted		(0.01)	(0.17)	(0.01)	(0.10)

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)	31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)
Loss after taxation	(927,575)	(22,944,172)	(122,554)	(13,910,814)
Other comprehensive income/ (loss):				
<i>Items that will not be reclassified to statement of profit or loss</i>	-	-	-	-
<i>Items that may be reclassified subsequently to statement of profit or loss</i> (Loss) / profit on remeasurement of long term investments - net of tax	(694,525)	-	(694,525)	-
Other comprehensive income for the period - net of tax	(694,525)	-	(694,525)	-
Total Comprehensive loss for the Period	(1,622,100)	(22,944,172)	(817,079)	(13,910,814)

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (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 Revaluation of Investments	Accumulated Loss			

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 Income / (loss) for the year

Net loss for the period	-	-	(22,944,172)	-	-	(22,944,172)
Other comprehensive Income / (loss) for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(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)	-	-
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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

Balance as at June 30, 2023 (Audited) 1,356,000,000 158,496,746 87,500 (937,786,103) 17,828,754 594,626,897

Total comprehensive Income / (loss) for the year

Net loss for the period	-	(694,525)	(927,575)	-	-	(1,622,100)
Other comprehensive income/ (loss) for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	(694,525)	(927,575)	-	-	(1,622,100)

Transfer from surplus on revaluation of property and equipment on account of:

Incremental depreciation on revalued asset for the period - net of tax	-	-	445,718	(445,718)	-	-
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Balance as at December 31, 2023 (Un-Audited) 1,356,000,000 158,496,746 (607,025) (938,267,960) 17,383,036 593,004,797

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Note	Half Year Ended	
		31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)
Cash Flow From Operating Activities			
Loss before taxation		(5,262,721)	(22,505,543)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	15	5,496,266	6,595,403
- Depreciation on right of use assets	15	4,402,171	4,418,346
- Amortization on intangible assets	6.1	199,938	299,894
- Lease adjustments		6,427,796	-
- Interest on lease liabilities against right of use assets		2,623,681	2,159,864
- Finance cost		844,108	68,535
- (Loss) / Gain on sale of fixed assets - net		-	(4,840,311)
- Gain on investment in short term investments		(694,525)	27
- Allowance for expected credit losses		2,589,774	1,072,960
		21,889,209	9,774,718
		16,626,488	(12,730,825)
Decrease / (increase) in operating assets			
- Finances - net		28,649,962	(3,876,685)
- Investments		694,525	50,508,746
- Loans and advances		2,289,259	(9,774,677)
- Interest receivable		141,685	(930,683)
- Other receivables		(480,820)	(844,008)
- Long term deposits		(54,000)	2,910,000
- Prepayments		(356,691)	6,766
Increase / (decrease) in operating liabilities			
- Trade and other payables		(6,603,050)	(2,903,585)
		24,280,870	35,095,874
Net cash generated / (used) in operations			
		40,907,358	22,365,049
Finance cost paid		(844,108)	(68,535)
Taxation - net		(5,242,083)	(2,706,751)
Net cash generated / (used) in operating activities			
		34,821,167	19,589,763
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(3,665,092)	(2,543,106)
Proceeds from sale of property and equipment		-	9,256,047
Capital expenditure on intangible assets		(5,705,698)	-
Short term investments - net		(10,035,092)	-
Net cash generated from investing activities			
		(19,405,882)	6,712,941
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(19,208,633)	(4,642,468)
Net investment in lease		-	-
Net cash used in financing activities			
		(19,208,633)	(4,642,468)
Net Increase / (Decrease) in Cash and Cash Equivalents During the Period			
		(3,793,348)	21,660,236
Cash and cash equivalents at the beginning of the period		46,944,371	116,323,821
Cash and Cash Equivalents at the End of the Period			
		43,151,023	137,984,057

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

1 Legal Status and its Nature of Business

Escorts Investment Bank Limited ("the Company") is a public limited company incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on May 15, 1995. The Company started its commercial operations on October 16, 1996 and is listed on the Pakistan Stock Exchange Limited. The Company is licensed to carry out investment finance services, as a Non-Banking Finance Company under Section 282-C of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the company is situated at 26-Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has revised long term Credit Rating of the Company at "BBB+" and maintained short term Credit Ratings of the Company at "A2" respectively with negative outlook on September 19, 2023. The ratings denote an adequate capacity of timely payment of financial commitments.

Regional office	Address
Lahore	Bahria Town, Corporate Office, Bahria Orchard, Raiwind Road.
Karachi	Bahria Town, Head Office, Bahria Town Super Highway.
Rawalpindi	Bahria Town, Head Office, Phase VIII, Rawalpindi.
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	Pensra Road, Street No. 3 Jinnah Park, District Toba Teksing, Gojra.
Sialkot	Haji pora Road, Opposite Bank Alfalah, Sialkot
Sheikhupura	Opposite New Sabazimandi, Lahore Road, Sheikhupura.

2 Basis of Preparation

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan 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
- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

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 2023. 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 2023. 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 2023.

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 2023.

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
5 Property and equipment			
Operating fixed assets - tangible	5.1	107,367,337	113,402,759
Right of use assets	5.2	42,119,307	39,077,457
Advances against purchase of assets		1,587,852	425,454
		151,074,496	152,905,670
5.1 Operating fixed assets - tangible			
Opening net book value		113,402,759	128,506,864
Cost of addition		146,900	3,779,921
Less: Book value of deletion during period / year		686,056	5,696,815
Less: Depreciation for the period / year		5,496,266	13,187,211
Closing net book value		107,367,337	113,402,759
5.2 Right-of-use assets			
Opening balance		39,077,457	51,331,311
Additions		22,270,836	-
Depreciation		(4,402,171)	(8,407,248)
Adjustment relating to termination of lease		(14,826,815)	(2,505,116)
Adjustment relating to remeasurement of lease liability		-	(1,341,490)
		42,119,307	39,077,457
Depreciation rate		10% - 15%	10% - 15%
6 Intangible Assets			
Accounting software	6.1	999,823	1,199,763
Advance for ERP implementation		4,606,388	3,302,859
		5,606,211	4,502,622
6.1 Accounting software			
Net carrying value			
At 01 July		1,199,761	1,799,553
Less: Amortization charge		199,938	599,792
		999,823	1,199,761

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
7 Long Term Finances			
Considered good	7.1	87,857,283	107,357,550
Considered doubtful	7.2	25,588,074	43,064,803
		113,445,357	150,422,353
Less: Allowance for expected credit losses		40,617,176	39,818,371
		72,828,181	110,603,982
Less: Current portion		35,936,202	32,558,442
Less: General provision for micro finance portfolio		142,136	110,196
		36,749,843	77,935,344
7.1 Considered good			
House finance - secured	7.1.1	44,400,908	88,564,838
Micro finance	7.1.2	43,456,375	18,792,712
		87,857,283	107,357,550

7.1.1 This represents amount disbursed to house finance customers at return rate ranging from 22.13% to 31.27% (30 June 2023: 14.04% to 22.37%) per annum for tenure of 2 to 20 years.

7.1.2 This represents amount disbursed to micro finance customers at return rate ranging from 48.2% to 51.4% (30 June 2023: 48.2% to 51.4%) per annum for tenure of 1 to 2 years.

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
8 Short Term Investments			
Amortized cost			
Treasury bills	8.1	122,335,444	114,081,229
Fair value through profit or loss (FVTPL)			
Mutual funds - 469.4184 (2023: 469.4184) units of Rs. 6.5328 (2023: Rs. 6.5328) each		3,067	3,067
Shares - others	8.2	7,597,445	5,816,568
		129,935,956	119,900,864

8.1 Treasury bills

Face Value	126,000,000	119,000,000
Less: Discount	(3,664,556)	(4,918,771)
	122,335,444	114,081,229

8.1.1 Investment in treasury bills is made for 3 months tenure and effectively yield ranging from 21.12% to 21.95% (2023: 14.90% to 21.95%) per annum.

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

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
9 Short Term Finances			
Micro Finance		104,775,726	103,013,692
Gold Finance - secured	9.1	6,565,000	-
Less: Allowance for expected credit losses micro finance		13,337,269	11,578,255
		98,003,457	91,435,437
Less: General provision for micro finance portfolio		457,192	457,177
		97,546,265	90,978,260

9.1 This represents amount disbursed to Gold finance customers at return rate of 32% per annum.

10 Cash and Bank Balances

Cash in hand		2,769,613	1,980,372
Cash with banks			
Current accounts with			
- State Bank of Pakistan		97,680	98,354
- Others		909,213	531,397
		1,006,893	629,751
Saving and deposit accounts	10.1	39,374,517	44,334,248
		43,151,023	46,944,371

10.1 Rate of return on saving accounts range from 19.50% to 20.5% (2023: 12.25% to 19.5%) per annum.

11 Lease Liabilities

Lease liabilities - Branches		31,972,029	55,968,745
Lease liabilities - Vehicles		13,839,560	-
	11.1	45,811,589	55,968,745
Less: Current portion		6,928,856	1,651,270
		38,882,733	54,317,475

11.1 Set out below are the carrying amounts of lease liabilities and the movements during the period.

Opening balance	55,968,745	66,005,185
Additions	14,828,100	-
Interest on finance lease	2,623,681	4,058,917
Adjustment relating to termination of lease	(21,254,611)	(3,941,756)
Adjustment relating to remeasurement of lease liability	-	(1,341,490)
Payments	(6,354,326)	(8,812,111)
Closing balance	45,811,589	55,968,745

12 Current portion of non-current liabilities

Lease liabilities	6,928,856	1,651,270
Long Term Security Deposits	2,165,985	2,165,985
	9,094,841	3,817,255

13 Trade and Other Payables

This includes an amount of Rs. 67.423 million (30 June 2023: Rs. 67.423 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.

14 Contingencies and Commitments

14.1 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 2023.

	Note	31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
14.2 Commitments			
ERP implementation		3,739,609	4,981,065

	Note	Half Year Ended		Quarter ended	
		31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)	31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)
15 Administrative Expenses					
Salaries, allowance and other benefits	15.1	47,190,407	43,845,257	23,330,402	23,541,813
Director's meeting fee		400,000	-	400,000	-
Advertisement and business promotion		127,906	211,600	100,000	211,600
Rent, rates and taxes		927,720	3,605,500	459,000	1,800,800
Utilities		2,993,133	2,919,096	1,242,032	1,478,274
Communication charges		1,755,029	1,523,191	1,084,878	911,787
Travelling and vehicle maintenance		876,471	1,007,720	450,187	504,707
Repairs and maintenance		3,038,422	1,845,723	1,538,414	1,089,404
Entertainment		351,664	491,626	133,285	305,723
Fees and subscriptions		1,397,058	1,631,156	782,746	710,913
Legal and professional charges		3,761,972	3,873,691	1,776,210	1,528,580
Printing and stationery		598,095	1,145,722	337,688	847,095
Insurance		1,431,145	1,508,749	405,635	760,130
Depreciation on property and equipment		5,496,266	6,595,403	2,742,857	3,250,537
Depreciation on right of use assets		4,402,171	4,418,346	2,409,371	2,209,173
Amortization on intangible assets		199,938	299,894	99,968	149,948
		74,947,397	74,922,674	37,292,673	39,300,484

15.1 This includes contribution to provident fund amounting to Rs. 0.885 million (2023: Rs. 2.084 million) made by the Company in the approved provident fund trust.

16 Other operating expenses

Provision against financing - specific-net	2,557,819	978,257	577,809	498,805
Provision against financing - general	31,955	94,703	14,123	(71,597)
	2,589,774	1,072,960	591,932	427,208

17 Segmental Analysis

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

17.1 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/Gold finance activities

Micro/Gold finance activities include providing long-term and short-term financing facilities to individuals (both salaried and self-employed) and 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'.

17.2 Investment activities

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

	Six Months Ended 31 December 2023 (Un-Audited)			Rupees	
	Financing activities			Investing activities	Total
	House finance activities	Micro/Gold finance activities	Term & other finance activities		
Profit on financing	6,949,781	27,056,469	-	-	34,006,250
Income from fee and commission	82,242	4,274,869	-	-	4,357,111
Return on investments	-	-	-	22,119,243	22,119,243
Other income	2,660,449	470,774	-	-	3,131,223
Total income of segment	9,692,472	31,802,112	-	22,119,243	63,613,827
Finance costs	-	2,623,681	-	844,108	3,467,789
Other expenses	-	2,589,774	-	-	2,589,774
Depreciation expense	404,392	4,081,266	-	5,412,779	9,898,437
Administrative expenses	1,386,945	23,178,148	-	40,483,867	65,048,960
Segment result	7,901,135	(670,757)	-	(24,621,511)	(17,391,133)
Other income - unallocated					12,128,412
Other expenses - unallocated					-
Loss before taxation					(5,262,721)

	As at 31 December 2023 (Un-Audited)			Rupees	
	Financing activities			Investing activities	Total
	House finance activities	Micro/Gold finance activities	Term & other finance activities		
Segment assets	55,535,084	190,256,901	2,165,985	155,357,314	403,315,284
Cash and bank balances					43,151,023
Unallocated assets					300,256,413
					746,722,720
Segment liabilities	2,298,793	39,344,301	-	-	41,643,094
Unallocated liabilities					112,074,829
Equity					593,004,797
					746,722,720

Six Months Ended 31 December 2022 (Un-Audited)
Rupees

	Financing activities			Investing activities	Total
	House finance activities	Micro/Gold 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	540,088	258,468	-	-	798,556
Total income of segment	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
Other operating expenses	-	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
Other expenses - unallocated					-
Loss before taxation					<u>(22,505,543)</u>

As at 30 June 2023 (Audited)
(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro/Gold finance activities	Term & other finance activities		
Segment assets	100,662,043	172,982,337	2,165,985	146,694,666	422,505,031
Cash and bank balances					46,944,371
Unallocated assets					<u>297,003,638</u>
					<u>766,453,040</u>
Segment liabilities	2,741,700	59,289,370	1,147,972	1,018,013	64,197,055
Unallocated liabilities					107,629,088
Equity					<u>594,626,897</u>
					<u>766,453,040</u>

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

18 Transactions with Related Parties

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

Relationship	Nature of transaction	Half Year Ended	
		31-Dec-23 Rupees (Un-Audited)	31-Dec-22 Rupees (Un-Audited)
Transactions during the period			
Holding Company	Bahria Town (Private) Limited		
	Rent expense	-	3,000,000
	Utilities and maintenance expense	497,146	270,904
Executives	Remuneration to key management personnel	23,130,626	7,293,707
Employees Provident Fund	Contribution for the period	885,440	1,084,346
		31-Dec-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
Outstanding balance as at period / year end			
Holding Company	Bahria Town (Private) Limited		
	Trade and other payables	363,331	292,249
	Other receivable	836,550	836,550
	Security deposit against branches	7,627,674	7,627,674
Associated Company	Bahria Grand Hotel & Resort		
	Entertainment expense payable	11,600	11,600

19 Financial Risk Management

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 2023.

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 2023.

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

20 Fair Values of Financial Instruments

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

21 Date of Authorization for Issue

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 23, 2024.

22 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.

The corresponding figures have been rearranged, wherever considered necessary for the purpose of comparison and better presentation the effect of which is not material.

Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Chief Financial Officer



Chairman



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