



ESCORTS
BANK

Quarterly Report

For the period ended 31 March

2013

Corporate Information.....	02
Directors' Report.....	03
Condensed Interim Balance Sheet	04
Condensed Interim Profit and Loss Account	05
Condensed Interim Cash Flow Statement	06
Condensed Interim Statement of Changes in Equity	07
Notes to the Condensed Interim Financial Statements	08
Condensed Interim Consolidated Financial Statements	17
Condensed Interim Consolidated Balance Sheet	18
Condensed Interim Consolidated Profit and Loss Account	19
Condensed Interim Consolidated Cash Flow Statement	20
Condensed Interim Consolidated Statement of Changes in Equity	21
Notes to the Condensed Interim Consolidated Financial Statements	22

Corporate Information

BOARD OF DIRECTORS

Chairman

Bairam Qureishy

President & Chief Executive Officer

Shazia Bashir

Directors

Bairam Qureishy

Shazia Bashir

Mutahir Ahmed

Tajamul Hussain Bokharee

Zulfiqar A. Khan

Amjad Mahmood Agha

Muhammad Sharif Baqir

Company Secretary / Chief Financial Officer

Kamran Hafeez

EXECUTIVE MANAGEMENT

President & Chief Executive Officer

Shazia Bashir

Head of Branch Network

Azmat Baig

Head of Proprietary Investments

Hassan Abid Zaidi

Head of MIS

Kamran Chughtai

AUDIT COMMITTEE

Chairman

Tajamul Hussain Bokharee

Members

Bairam Qureishy

Mutahir Ahmed

Secretary

Kamran Hafeez

Internal Auditors

Nasir Javaid Maqsood Imran

Chartered Accountants

External Auditors

Zahid Jamil & Company

Chartered Accountants

Legal Advisors

Lexium Attorneys at Law

Tax Consultants

KPMG Taseer Hadi & Co.

Chartered Accountants

Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

Bankers

Bank Alfalah Limited

HSBC Bank Oman S.A.O.G.

Askari Bank Limited

NIB Bank Limited

NETWORK

Head Office & Lahore Branch

Escorts House

26-Davis Road, Lahore

Tel: (042) 3637 1931-34

Fax: (042) 3637 5950

mailmanager@escortsbank.net

www.escortsbank.net

BRANCH OFFICES

Karachi Office

Escorts Investment Bank Limited

Room # 631, 632, Stock Exchange Building,

Stock Exchange Road, Karachi

Tel: (021) 3247 1671-5

Fax: (021) 3247 237

karachi@escortsbank.net

www.escortsbank.net

Islamabad Office

Escorts Investment Bank Limited

Shalimar – 5/1, Attaturk Ave, Islamabad

Tel: (051) 227 1762

Fax: (051) 227 1764

islamabad@escortsbank.net

www.escortsbank.net

The Board of Directors of Escorts Investment Bank Limited (the "Bank") is pleased to present before you the unaudited condensed interim financial information for the quarter ended March 31, 2013.

It gives the Board immense pleasure to report that during the period under review, total income of your Bank increased to Rs. 93.7 million as compared to Rs. 44.2 million in the corresponding period, thereby reflecting an increase of Rs. 49.5 million. This increase is primarily attributable to other income of Rs. 44.3 million, which was Rs. 3.5 million in the corresponding period of the preceding year. Also, the return on investments have increased from Rs. 19.6 million in the quarter ended March 31, 2012 to Rs. 36.7 million in the quarter ended March 31, 2013 displaying an increase of 89%.

The total expenses have increased to Rs. 60.6 million in the quarter under review from Rs. 42.1 million in the corresponding quarter of the preceding year. The administrative and other expenses however have shown a slight decrease of 5.4%. The Earning per share of the Bank has increased from Rs. 0.04 to Rs. 0.74 depicting a substantial increase. The liquidity position of the Bank has also improved in comparison with the financial position as on June 30, 2012. The current ratio has increased from 1.03 on June 30, 2012 to 1.17 on March 31, 2013. Similarly the equity of the bank has increased from Rs. 475.5 million on June 30, 2012 to Rs. 498.3 million on March 31, 2013.

The Board expects improvements in the capital and financial markets after the May 11, 2013 general elections. With the establishment of new democratically elected government, the Board expects stability and elimination of uncertainties. This is expected to increase activities in the market place and your Bank is rightly positioned to capitalize on these. The trend of profitability is expected to continue going forward.

Acknowledgement

The Board would like to take this opportunity to express its admiration to the employees of the Bank for their commitment, hard work and co-operation throughout the years. The Board also wishes to place on record its gratitude to Securities and Exchange Commission of Pakistan for their valued support, assistance and guidance.

For and on behalf of the Board

Shazia Bashir

President and Chief Executive Officer

Lahore: May 10, 2013

Condensed Interim Balance Sheet

As at 31 March 2013

	Note	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
ASSETS			
Non-current Assets			
Fixed assets	5	97,495,549	106,182,817
Cards and rooms		33,450,000	33,450,000
Long term investment in subsidiary company		175,004,000	175,004,000
Long term investments	6	100,992,584	100,994,410
Long term finances		102,428,689	128,631,816
Long term loans and advances		51,293,578	50,877,595
Long term deposits and prepayments		4,713,839	9,029,428
Deferred tax asset		95,555,063	95,555,063
		660,933,302	699,725,129
Current Assets			
Current maturities of non-current assets		58,963,835	110,144,097
Short term investments	7	142,383,759	112,086,491
Short term finances		145,914,568	147,963,572
Short term placements		55,214,240	720,647,460
Advances		4,556,066	3,518,121
Short term deposits and prepayments		22,159,174	22,558,586
Interest accrued		62,023,580	24,987,555
Other receivables		143,059,329	68,265,935
Tax refunds due from government		235,050,377	230,689,984
Cash and bank balances		10,803,729	35,934,136
		880,128,657	1,476,795,937
		1,541,061,959	2,176,521,066
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		57,347,291	34,574,874
		498,347,291	475,574,874
Surplus on revaluation of fixed assets		36,775,711	38,208,529
Deficit on Revaluation of Investments	8	(4,134,341)	(7,142,277)
Non-Current Liabilities			
Term finance certificates	9	20,076,622	72,572,347
Long term certificates of deposit		237,071,803	164,380,933
Current Liabilities			
Current maturities of non-current liabilities		76,055,015	112,684,208
Short term borrowings	10	-	599,348,500
Short term certificates of deposit		387,076,673	434,629,006
Accrued markup		15,809,058	17,221,726
Trade and other payables	11	237,686,404	234,559,857
Provision for taxation		36,297,723	34,483,363
		752,924,873	1,432,926,660
Contingencies and Commitments	12	-	-
		1,541,061,959	2,176,521,066

The annexed notes from 1 to 19 form an integral part of this interim financial information.

Chief Executive Officer

Director

Condensed Interim Profit and Loss Account

For the period ended 31 March 2013 (Un-audited)

	Note	Three months ended		Nine months ended	
		31-Mar-13 Rupees	31-Mar-12 Rupees	31-Mar-13 Rupees	31-Mar-12 Rupees
INCOME					
Profit on financing		9,058,417	12,780,437	49,867,582	41,344,828
Mark-up on lease finance		-	46,908	3,040	168,047
Return on placements		3,301,642	7,718,755	29,129,608	44,247,076
Return on investments	13	36,709,991	19,685,317	72,072,479	57,810,596
Fees and Commission		-	207,876	130,392	6,619,826
Profit on bank deposits		321,961	248,860	1,029,156	823,092
Other income	14	44,359,038	3,570,885	46,223,271	11,533,894
		93,751,049	44,259,038	198,455,528	162,547,359
EXPENSES					
Return on certificates of deposit		19,378,331	19,561,637	61,364,220	60,451,694
Return on term finance certificates		1,916,258	2,918,188	6,326,391	12,030,796
Mark-up on short term running finance		75,089	360,396	567,112	779,451
Mark-up on borrowings from financial institutions		26,694,983	4,444,690	66,163,782	47,709,617
Amortization of premium on held to maturity investments		11,808	1,576,557	584,438	8,502,027
Administrative and other operating expenses	15	12,538,377	13,263,804	38,779,950	37,868,637
Other financial charges		32,080	21,525	82,858	202,821
		60,646,926	42,146,797	173,868,751	167,545,043
Operating profit/ (loss) before provisions and taxation		33,104,123	2,112,241	24,586,777	(4,997,684)
Provision for doubtful financing - reversed		-	-	-	605,179
Operating profit / (loss) before taxation		33,104,123	2,112,241	24,586,777	(4,392,505)
Taxation		(656,076)	(329,753)	(1,814,360)	(1,403,255)
Profit / (loss) after taxation		32,448,047	1,782,488	22,772,417	(5,795,760)
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive profit / (loss) - net of tax		32,448,047	1,782,488	22,772,417	(5,795,760)
Profit / (loss) per share-basic and diluted		0.74	0.04	0.52	(0.13)

The annexed notes from 1 to 19 form an integral part of this interim financial information.

Condensed Interim Cash Flow Statement

For the period ended 31 March 2013 (Un-audited)

	31-Mar-13 Rupees	31-Mar-12 Rupees
Cash flow from operating activities		
Profit / (loss) before taxation	24,586,777	(4,392,505)
Adjustment for non cash expenses and other items:		
Dividend income	(52,215,747)	(43,229,340)
Depreciation on property and equipment	8,154,413	7,660,799
Amortization on intangible assets	649,935	649,935
Incremental depreciation on revaluation of fixed assets	(1,432,818)	-
Provision for doubtful financing - reversed	-	(605,179)
Amortization of premium on held to maturity investments	584,438	8,502,027
Amortization of issuance cost of listed TFCs	1,521,675	1,048,841
Gain on sale of fixed assets	-	(295,068)
Fair value loss on held for trading investment	(37,584)	-
	(42,775,688)	(26,267,985)
	(18,188,911)	(30,660,490)
Decrease/(increase) in operating assets		
Disbursements of finances - net	26,390,639	1,955,308
Net investment in lease finance	902,065	1,955,847
Placements	665,433,220	601,704,265
Investments - net	22,748,252	183,213,837
Long term and short term advances	(1,448,736)	(57,946,985)
Interest Accrued	(37,036,025)	5,345,548
Other receivables	(44,790,305)	(8,399,607)
Deposits and prepayments	5,198,963	(14,636,521)
	637,398,073	713,191,692
(Decrease) / Increase in operating liabilities		
Borrowings from financial institutions	(599,348,500)	(553,700,762)
Certificates of deposit	(14,480,533)	(39,955,490)
Running finance facility	-	(50,000,600)
Accrued markup	(1,412,668)	(8,686,961)
Trade and other payables	3,126,547	(6,413,316)
	(612,115,154)	(658,757,129)
Net changes in operating assets and liabilities	25,282,919	54,434,563
Net cash generated from operating activities	7,094,008	23,774,073
Taxes refund/ paid	(4,360,393)	(5,467,855)
Net cash generated from operating activities	2,733,615	18,306,218
Cash flow from investing activities		
Fixed capital expenditure incurred	(117,080)	-
Dividend received	22,212,658	20,085,068
Proceeds from sale of fixed assets	-	620,115
Net cash generated from investing activities	22,095,578	20,705,183
Cash flow from financing activities		
Redemption of listed term finance certificates	(49,959,600)	(41,633,000)
Net cash used in financing activities	(49,959,600)	(41,633,000)
Net decrease in cash and cash equivalents	(25,130,407)	(2,621,599)
Cash and cash equivalents at the beginning of the period	35,934,136	17,441,234
Cash and cash equivalents at the end of the period	10,803,729	14,819,635

The annexed notes from 1 to 19 form an integral part of this interim financial information.

Chief Executive Officer

Director

Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2013 (Un-audited)



	Share capital Rupees	Statutory reserve Rupees	Accumulated Profit / (loss) Rupees	Total Rupees
Balance as at 01 July 2011	441,000,000	154,050,085	(108,155,197)	486,894,888
Net loss for the period	-	-	(5,795,760)	(5,795,760)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(5,795,760)	(5,795,760)
Balance as at 31 March 2012	441,000,000	154,050,085	(113,950,957)	481,099,128
Balance as at 01 July 2012	441,000,000	154,050,085	(119,475,211)	475,574,874
Net profit for the period	-	-	22,772,417	22,772,417
Transfer to statutory reserve	-	4,554,483	(4,554,483)	-
Other comprehensive profit	-	-	-	-
Total comprehensive profit	-	4,554,483	18,217,934	22,772,417
Balance as at 31 March 2013	441,000,000	158,604,568	(101,257,277)	498,347,291

The annexed notes from 1 to 19 form an integral part of this interim financial information.

Chief Executive Officer

Director

Condensed Interim Notes to the Financial Statements

For the period ended 31 March 2013 (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 Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operations on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term credit rating of the Company to “BBB” (Triple B) and also maintained the short-term rating at “A3” (A three) dated 22 February 2013. A “positive Outlook” has been assigned to these ratings. The ratings denotes an adequate capacity of timely payment of financial commitments.

2. BASIS OF PRESENTATION

- 2.1 This interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

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 financial statements for the year ended 30 June 2012.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, ‘Financial Instruments: Recognition and Measurement’ and International Accounting Standard (IAS) 40, ‘Investment Property’ through Circular No. 19 dated August 13, 2003 to NBFCs providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, ‘Financial Instruments: Disclosures’ through SRO 411(1) / 2008 on such NBFCs which are engaged in investment finance services, discounting services and housing finance services. The Company has adopted the revised Code of Corporate Governance, 2012 launched by the Securities and Exchange Commission of Pakistan (SECP) on April 10, 2012.

- 2.2 The financial statements of the company reflect that the equity of the company as at March 31, 2013 is Rs. 498.347 million which is below the minimum capital required under NBFC regulations 2008. The NBFC Reforms Process initiated by Securities and Exchange Commission of Pakistan is also underway and it is expected that the minimum equity requirement would be revised as a result. The management is confident and committed that the equity requirement would be met through internal resources including retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2012.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2012.

	Note	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
5. FIXED ASSETS			
Property and equipments	5.1	96,700,924	104,738,257
Intangible assets		794,625	1,444,560
		97,495,549	106,182,817
5.1 Property and equipments			
Opening balance written down value.		104,738,257	76,846,098
Additions:			
Surplus on revaluation of fixed assets		-	38,208,529
Computer equipment		-	191,500
Vehicles		117,080	-
Less: Disposals written down value			
Office furniture and fixtures		-	(126,833)
Office equipments		-	(193,963)
		-	(320,796)
Depreciation for the period / year		6,721,595	10,187,074
Incremental depreciation on revaluation of fixed assets		1,432,818	-
Closing written down value		96,700,924	104,738,257
6. LONG TERM INVESTMENTS			
Held to maturity			
Pakistan Investment Bonds		100,992,584	151,577,022
Less: Current maturity of Pakistan Investment Bonds		-	50,582,612
		100,992,584	100,994,410
7. SHORT TERM INVESTMENTS			
Held for Trading			
Listed Shares and units		3,254,248	6,876,527
Commodities			
Gold		3,393,155	13,912,413
Others		84,165,000	-
		87,558,155	13,912,413
Others		12,113,531	12,113,531
Available for sale			
Listed Term Finance Certificates		-	1,642,368
Listed Shares and units		44,273,564	85,402,911
		147,199,498	119,947,750
Deficit on revaluation		(4,815,739)	(7,861,259)
		142,383,759	112,086,491

	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
8. DEFICIT ON REVALUATION OF INVESTMENTS		
Available for sale		
Listed term finance certificates	-	8,828
Listed shares / units	(4,134,341)	(7,151,105)
	(4,134,341)	(7,142,277)
9. TERM FINANCE CERTIFICATES		
Listed:		
Face value	500,000,000	500,000,000
Less: Redeemed		
Opening balance	375,101,000	333,468,000
Redeemed during the period / year	49,959,600	41,633,000
	425,060,600	375,101,000
	74,939,400	124,899,000
Less: Current maturity	49,959,600	49,959,600
	24,979,800	74,939,400
Less: Cost on issuance/ rescheduling		
Opening balance	(4,395,953)	(1,048,842)
Rescheduling cost incurred during the year	-	(6,086,702)
Amortization for the period / year	1,521,675	2,739,591
	(2,874,278)	(4,395,953)
Less: Current maturity	(2,028,900)	2,028,900
	(4,903,178)	(2,367,053)
	20,076,622	72,572,347
10. SHORT TERM BORROWINGS		
Financial institutions - Secured	-	599,348,500
10.1		
These represents borrowings under repurchase agreements and carry mark-up at the rate (2012: 12% to 12.50% per annum and are for a period of 6 days to 33 days).		
	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
11. TRADE AND OTHER PAYABLES		
Customers' credit balances	61,157,067	4,856,469
Accrued expenses and other payables	172,595,599	226,190,377
Provision for compensated absences	1,546,734	1,126,007
Unclaimed dividend	2,387,004	2,387,004
	237,686,404	234,559,857

	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
12. CONTINGENCIES AND COMMITMENTS		
Outstanding guarantees	42,121,020	40,301,020
Future purchase contract - Shares	-	173,150,679
Future sale contract - Shares	-	68,852,695

13. RETURN ON INVESTMENTS

	Three months ended		Nine months ended	
	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)
Mark-up / return on investments	2,487,934	8,034,839	8,417,455	35,979,214
Dividend income	30,375,821	24,452,765	52,215,747	43,229,340
Fair value loss on held for trading investment	275,706	(133,257)	37,584	(390,511)
Capital gain/(loss) on investments	3,570,530	(12,669,030)	11,401,693	(21,007,447)
	36,709,991	19,685,317	72,072,479	57,810,596

14. OTHER INCOME

These include Compensation on delayed refunds amounting to Rs. 42.9 million. The Company had claimed income tax refunds from Tax Year 2003 to 2008 from the income tax authorities. These tax refunds were decided in due course by the appropriate income tax authorities and refund orders were subsequently issued to the Company.

The management believes that this Compensation on delayed refunds under Section 171 - Additional Payment for Delayed Refunds, of the Income Tax Ordinance, 2001 should be recognized based on the criteria for revenue recognition in "IAS 18 – Revenue" which states that Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity.

As a result of the inherent uncertainties related to the realization of the compensation on delayed income tax refunds, these should be recognized only when they can be estimated on a reasonable basis and the criteria as laid out in IAS 18 is met. Circumstances have arisen which have given reasonable basis to the management to recognize these as revenue in the financial period and that it is probable that the company will receive the same from income tax authorities. The amount of compensation on delayed refunds is calculated on a reasonable basis in light of the prevailing tax laws and guidelines.

The management did not recognize this compensation on delayed refunds in the past periods because these could not be estimated reasonably previously. The management's estimates of compensation on delayed refunds are revised because of the occurrence of circumstances which establish reasonable probability of the receipt of this compensation and reasonable basis on which to calculate these in the light of prevailing tax law and guidelines. The amounts are recognised in the financial statements as revenue and by adjusting the carrying amount of related assets as prescribed in the paragraphs 36 and 37 of the IAS 8 - Accounting policies, changes in accounting estimates and errors.

	Three months ended		Nine months ended	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)
15. ADMINISTRATIVE AND OTHER OPERATING EXPENSES				
Salaries, wages, other benefits and allowances	4,099,327	3,674,128	13,069,259	11,587,754
Staff Training and Welfare	11,362	7,366	66,697	29,656
Advertisement and business promotion	117,500	29,140	269,750	113,400
Rent, rates and taxes	482,538	914,789	1,579,086	3,453,657
Utilities	326,094	395,480	949,215	1,004,642
Communication charges	302,339	336,195	1,086,114	1,045,639
Traveling and vehicle maintenance	908,178	1,360,671	3,527,445	3,526,425
Repair and maintenance	400,075	284,785	1,249,874	958,823
Entertainment	393,702	289,576	956,973	772,865
Fee and subscriptions	582,538	913,806	1,606,847	1,347,243
Legal and professional charges	709,931	687,042	1,769,829	1,720,004
Printing and stationery	284,408	357,088	1,055,418	960,859
Fee, brokerage and commission	10,349	13,175	43,523	48,783
CDC and clearing charges	743,859	814,021	2,170,370	1,387,903
Insurance	198,641	114,337	485,470	380,412
Amortization of issuance cost of listed TFCs	507,225	262,193	1,521,675	1,048,841
Depreciation	2,243,391	2,553,597	6,721,595	7,660,793
Amortization on intangible assets	216,645	216,645	649,935	649,935
Staff motor vehicle contribution and insurance	-	19,533	-	58,599
Miscellaneous expenses	275	20,237	875	112,404
	12,538,377	13,263,804	38,779,950	37,868,637

16. TRANSACTIONS WITH RELATED PARTIES

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

	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)
Transactions during the period		
Subsidiary Company:		
Profit paid on certificates of deposit	-	6,750,024
Return on finances received	-	18,000,000
Return on assets	4,486,440	4,441,438
Associated companies:		
Return on finances received	6,986,566	6,347,114
Profit paid on certificates of deposit	569,843	480,417
Advisory fee	-	6,000,000
Fixed assets sold	-	600,115
Chairman's secretariat expenses	2,700,000	2,700,000
Guarantee commission earned	97,454	619,826
Directors:		
Return on finances received	843,473	777,764
Profit paid on certificates of deposit	4,912,411	5,047,298
Executives:		
Return on finances received	182,112	903,434
Profit paid on certificates of deposit	5,240,169	5,636,177
Others:		
Contribution to staff retirement benefits plan	549,154	456,909
	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
Balance at the end of the period		
Subsidiary Company:		
Certificates of deposit outstanding	50,000,000	50,000,000
Financing outstanding	100,000,000	100,000,000
Receivable/ (Payable) against purchase of shares	27,772,277	(73,349,918)
Profit receivable on financing	27,353,521	15,353,521
Markup payable on COD	9,978,082	5,490,714
Associated companies:		
Financing outstanding	5,817,728	78,325,213
Letter of guarantee outstanding	42,121,020	40,301,020
Certificates of deposit outstanding	58,440,295	6,095,003
Profit receivable on financing	-	-
Other receivable	16,288,332	10,956,463
Directors:		
Financing outstanding	19,031,467	19,540,227
Certificates of deposit outstanding	60,692,600	60,692,600
Executives:		
Financing outstanding	3,339,525	3,441,731
Certificates of deposit outstanding	52,500,000	56,476,561

17. SEGMENTAL ANALYSIS

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

Financing activities

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

Investment activities

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

Nine months ended 31 March 2013			
	Financing activities	Investing activities	Total
Profit on financing	49,867,582	-	49,867,582
Mark-up on lease finance	3,040	-	3,040
Return on placements	-	29,129,608	29,129,608
Return on investments	-	72,072,479	72,072,479
Total income for reportable segments	49,870,622	101,202,087	151,072,709
Finance costs	44,594,173	90,494,628	135,088,801
Administrative and other operating expenses	12,801,652	25,978,298	38,779,950
Provision for doubtful financing - reversed	-	-	-
Segment result	(7,525,203)	(15,270,839)	(22,796,042)
Other operating income			47,382,819
Profit before taxation			24,586,777
Segment assets	358,514,137	595,792,910	954,307,047
Unallocated assets			586,754,912
			1,541,061,959
Segment liabilities	214,924,181	319,499,107	534,423,288
Unallocated liabilities			508,291,379
Equity			498,347,291
			1,541,061,959

Nine months ended 31 March 2012

	Financing activities	Investing activities	Total
Profit on financing	41,344,828	-	41,344,828
Mark-up on lease finance	168,047	-	168,047
Return on placements		44,247,076	44,247,076
Return on investments		57,810,596	57,810,596
Fee and commission	-	6,619,826	6,619,826
Total income for reportable segments	41,512,875	108,677,498	150,190,373
Finance costs	35,842,780	93,833,626	129,676,406
Administrative and other operating expenses	10,466,956	27,401,681	37,868,637
Provision for doubtful financing - reversed	(605,179)		(605,179)
Segment result	(4,191,682)	(12,557,809)	(16,749,491)
Other operating income			12,356,986
Loss before taxation			(4,392,505)
Segment assets	387,185,055	778,796,870	1,165,981,925
Unallocated assets			493,840,121
			1,659,822,046
Segment liabilities	176,683,645	308,598,861	485,282,506
Unallocated liabilities			693,440,412
Equity			481,099,128
			1,659,822,046

18. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 10th May 2013.

19. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Consolidated Financial Statements

31 March 2013

Condensed Interim Consolidated Balance Sheet

As at 31 March 2013

	Note	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
ASSETS			
Non-current Assets			
Fixed assets	6	100,559,122	109,504,081
Cards and rooms		84,955,000	84,955,000
Long term investments	7	100,992,584	100,994,410
Long term finances		2,428,689	28,631,816
Long term loans and advances		1,293,578	877,595
Long term deposits and prepayments		6,958,839	11,253,428
Deferred tax asset		95,555,063	95,555,063
		392,742,875	431,771,393
Current Assets			
Current maturities of non-current assets		58,963,835	110,144,097
Short term investments	8	142,383,759	112,086,491
Short term finances		145,914,568	147,963,572
Short term placements		55,214,240	720,647,460
Advances		4,938,058	3,727,813
Short term deposits and prepayments		31,798,685	32,198,097
Interest accrued		62,599,637	10,464,699
Other receivables		177,126,585	148,124,722
Tax refunds due from government		238,575,549	234,011,965
Cash and bank balances		16,358,359	48,388,873
		933,873,275	1,567,757,789
		1,326,616,150	1,999,529,182
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		(165,584,147)	(172,296,751)
		275,415,853	268,703,249
Surplus on revaluation of fixed assets		36,775,711	38,208,529
Deficit on Revaluation of Investments	9	(4,134,341)	(7,142,277)
Non-Current Liabilities			
Term finance certificates	10	20,076,622	72,572,347
Long term certificates of deposit		237,071,803	164,380,933
Current Liabilities			
Current maturities of non-current liabilities		76,055,015	112,684,208
Short term borrowings	11	-	599,348,500
Short term certificates of deposit		287,076,673	334,629,006
Accrued markup		5,830,976	11,731,012
Trade and other payables	12	356,150,115	369,930,312
Provision for taxation		36,297,723	34,483,363
		761,410,502	1,462,806,401
Contingencies and Commitments			
	13	-	-
		1,326,616,150	1,999,529,182

The annexed notes from 1 to 20 form an integral part of this interim financial information.

Condensed Interim Consolidated Profit and Loss Account

For the period ended 31 March 2013 (Un-audited)



	Note	Three months ended		Nine months ended	
		31-Mar-13 Rupees	31-Mar-12 Rupees	31-Mar-13 Rupees	31-Mar-12 Rupees
INCOME					
Profit on financing		3,604,858	6,810,725	33,442,297	27,903,390
Mark-up on lease finance		-	46,908	3,040	168,047
Return on placements		3,301,642	7,718,755	29,129,608	44,247,076
Return on investments	14	36,709,991	19,685,317	72,072,479	57,810,596
Fees and Commission		5,108,705	801,205	9,422,091	8,284,574
Profit on bank deposits		318,462	717,708	2,140,564	2,632,122
Other income	15	44,109,324	3,574,875	48,354,209	11,601,189
		93,152,982	39,355,493	194,564,288	152,646,994
EXPENSES					
Return on certificates of deposit		17,898,879	18,036,261	56,876,852	55,430,692
Return on term finance certificates		1,916,258	2,918,188	6,326,391	12,030,796
Mark-up on short term running finance		75,089	360,396	567,112	779,451
Mark-up on borrowings from financial institutions		26,694,983	4,444,690	66,163,782	47,709,617
Amortization of premium on held to maturity investments		11,808	1,576,557	584,438	8,502,027
Administrative and other operating expenses	16	18,811,534	15,627,538	53,803,725	46,432,311
Other financial charges		35,119	25,475	94,305	213,223
		65,443,670	42,989,105	184,416,605	171,098,117
Operating profit / (loss) before provisions and taxation		27,709,312	(3,633,612)	10,147,683	(18,451,123)
Provision for doubtful financing - reversed		-	-	-	605,179
Operating profit / (loss) before taxation		27,709,312	(3,633,612)	10,147,683	(17,845,944)
Taxation		(1,287,756)	(711,994)	(3,435,079)	(2,623,048)
Profit / (loss) after taxation		26,421,556	(4,345,606)	6,712,604	(20,468,992)
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive profit / (loss) - net of tax		26,421,556	(4,345,606)	6,712,604	(20,468,992)
Profit / (loss) per share-basic and diluted		0.60	(0.10)	0.15	(0.46)

The annexed notes from 1 to 20 form an integral part of this interim financial information.

Condensed Interim Consolidated Cash Flow Statement

For the period ended 31 March 2013 (Un-audited)

	31-Mar-13 Rupees	31-Mar-12 Rupees
Cash flow from operating activities		
Profit / (loss) before taxation	10,147,683	(17,845,944)
Adjustment for non cash expenses and other items:		
Dividend income	(52,215,747)	(43,229,340)
Depreciation on property and equipment	8,498,354	7,980,659
Amortization on intangible assets	649,935	649,935
Incremental depreciation on revaluation of fixed assets	(1,432,818)	-
Provision for doubtful financing - reversed	-	(605,179)
Amortization of premium on held to maturity investments	584,438	8,502,027
Amortization of issuance cost of listed TFCs	1,521,675	1,048,841
Gain on sale of fixed assets	-	(295,068)
Fair value loss on held for trading investment	(37,584)	-
	(42,431,747)	(25,948,125)
	(32,284,064)	(43,794,069)
Decrease/(increase) in operating assets		
Disbursements of finances - net	26,390,639	1,955,309
Net investment in lease finance	902,065	1,955,847
Placements	665,433,220	601,704,265
Investments - net	22,748,252	183,213,837
Long term and short term advances	(1,621,036)	(7,740,274)
Interest Accrued	(52,134,938)	(8,381,650)
Other receivables	1,001,226	(70,703,191)
Deposits and prepayments	5,177,963	(10,417,768)
	667,897,391	691,586,375
(Decrease) / Increase in operating liabilities		
Borrowings from financial institutions	(599,348,500)	(553,700,762)
Certificates of deposit	(14,480,533)	(67,000,446)
Running finance facility	-	(50,000,600)
Accrued markup	(5,900,036)	(7,424,262)
Trade and other payables	(13,780,199)	50,806,873
	(633,509,268)	(627,319,197)
Net changes in operating assets and liabilities	34,388,123	64,267,178
Net cash generated from operating activities	2,104,059	20,473,109
Taxes refund/ paid	(6,184,303)	(7,720,583)
Net cash (used in) / generated from operating activities	(4,080,244)	12,752,526
Cash flow from investing activities		
Fixed capital expenditure incurred	(203,328)	-
Dividend received	22,212,658	20,085,068
Proceeds from sale of fixed assets	-	620,115
Net cash generated from investing activities	22,009,330	20,705,183
Cash flow from financing activities		
Redemption of listed term finance certificates	(49,959,600)	(41,633,000)
Net cash used in financing activities	(49,959,600)	(41,633,000)
Net decrease in cash and cash equivalents	(32,030,514)	(8,175,291)
Cash and cash equivalents at the beginning of the period	48,388,873	26,434,601
Cash and cash equivalents at the end of the period	16,358,359	18,259,310

The annexed notes from 1 to 20 form an integral part of this interim financial information.

Chief Executive Officer

Director

Condensed Interim Consolidated Statement of Changes in Equity

For the period ended 31 March 2013 (Un-audited)

	Share capital Rupees	Statutory reserve Rupees	Accumulated profit / (loss) Rupees	Total Rupees
Balance as at 01 July 2011	441,000,000	154,050,085	(290,943,033)	304,107,052
Net loss for the period	-	-	(20,468,992)	(20,468,992)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(20,468,992)	(20,468,992)
Balance as at 31 March 2012	441,000,000	154,050,085	(311,412,025)	283,638,060
Balance as at 01 July 2012	441,000,000	154,050,085	(326,346,836)	268,703,249
Net profit for the period	-	-	6,712,604	6,712,604
Transfer to statutory reserve	-	4,554,483	(4,554,483)	-
Other comprehensive profit	-	-	-	-
Total comprehensive profit	-	4,554,483	2,158,121	6,712,604
Balance as at 31 March 2013	441,000,000	158,604,568	(324,188,715)	275,415,853

The annexed notes from 1 to 20 form an integral part of this interim financial information.

Chief Executive Officer

Director

Condensed Interim Notes to the Consolidated Financial Statements

For the period ended 31 March 2013 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited and its subsidiary Company ("The Group") comprises of holding Company Escorts Investment Bank Limited (EIBL) and a wholly owned Subsidiary Company Escorts Capital Limited ("ESCAP").

EIBL ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operation on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

ESCAP ("the Subsidiary") was incorporated as a public Limited company in Pakistan on 5 June 2008 under the Companies Ordinance, 1984 and became a wholly owned subsidiary Company of EIBL in June 2008. The Subsidiary is principally engaged in brokerage business. The registered office of the subsidiary is situated at Escorts House, 26 Davis Road, Lahore.

2. BASIS OF PRESENTATION

- 2.1 This interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standards (IAS) -34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provision of or directives issued under Companies Ordinance, 1984 have been followed.

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 Group's annual financial statements for the year ended 30 June 2012.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated August 13, 2003 to NBFCs providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such NBFCs which are engaged in investment finance services, discounting services and housing finance services. The Company has adopted the revised Code of Corporate Governance, 2012 launched by the Securities and Exchange Commission of Pakistan (SECP) on April 10, 2012.

- 2.2 The separate financial statements of the company reflect that the equity of the company as at March 31, 2013 is Rs. 498.347 million which is below the minimum capital required under NBFC regulations 2008. The NBFC Reforms Process initiated by Securities and Exchange Commission of Pakistan is also underway and it is expected that the minimum equity requirement would be revised as a result. The management is confident and committed that the equity requirement would be met through internal resources including retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the Group financial statements for the year ended 30 June 2012.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2012.

5. BASIS OF CONSOLIDATION

The basis of consolidation for the preparation of this financial statements are the same as those followed in preparation of the annual audited consolidated financial statements of the Group for the year ended 30 June 2012.

		31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
6. FIXED ASSETS			
Property and equipments	6.1	99,764,497	108,059,520
Intangible assets		794,625	1,444,561
		100,559,122	109,504,081
6.1 Property and equipments			
Opening balance written down value.		108,059,520	80,427,846
Additions:			
Surplus on revaluation of fixed assets		-	38,208,529
Computer equipment		86,248	467,950
Vehicles		117,080	-
Less: Disposals written down value			
Office furniture and fixtures		-	(126,833)
Office equipments		-	(193,963)
		-	(320,796)
Depreciation for the period / year		7,065,533	10,724,009
Incremental depreciation on revaluation of fixed assets		1,432,818	-
Closing written down value		99,764,497	108,059,520
7. LONG TERM INVESTMENTS			
Held to maturity			
Pakistan Investment Bonds		100,992,584	151,577,022
Less: Current maturity of Pakistan Investment Bonds		-	50,582,612
		100,992,584	100,994,410
8. SHORT TERM INVESTMENTS			
Held for Trading			
Listed Shares and units		3,254,248	6,876,527
Commodities			
Gold		3,393,155	13,912,413
Others		84,165,000	-
		87,558,155	13,912,413
Others		12,113,531	12,113,531
Available for sale			
Listed Term Finance Certificates		-	1,642,368
Listed Shares and units		44,273,564	85,402,911
		147,199,498	119,947,750
Deficit on revaluation		(4,815,739)	(7,861,259)
		142,383,759	112,086,491
9. DEFICIT ON REVALUATION OF INVESTMENTS			
Available for sale			
Listed term finance certificates		-	8,828
Listed shares / units		(4,134,341)	(7,151,105)
		(4,134,341)	(7,142,277)

		31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
10. TERM FINANCE CERTIFICATES			
Listed:			
Face value		500,000,000	500,000,000
Less: Redeemed			
Opening balance		375,101,000	333,468,000
Redeemed during the period / year		49,959,600	41,633,000
		425,060,600	375,101,000
		74,939,400	124,899,000
Less: Current maturity		49,959,600	49,959,600
		24,979,800	74,939,400
Less: Cost on issuance/ rescheduling			
Opening balance		(4,395,953)	(1,048,842)
Rescheduling cost incurred during the year		-	(6,086,702)
Amortization for the period / year		1,521,675	2,739,591
		(2,874,278)	(4,395,953)
Less: Current maturity		(2,028,900)	2,028,900
		(4,903,178)	(2,367,053)
		20,076,622	72,572,347
11. SHORT TERM BORROWINGS			
Financial institutions - Secured		-	599,348,500
11.1	These represents borrowings under repurchase agreements and carry mark-up at the rate (2012: 12% to 12.50% per annum and are for a period of 6 days to 33 days).		
12. TRADE AND OTHER PAYABLES			
Customers' credit balances		141,386,000	123,721,973
Accrued expenses and other payables		210,830,377	242,695,328
Provision for compensated absences		1,546,734	1,126,007
Unclaimed dividend		2,387,004	2,387,004
		356,150,115	369,930,312
13. CONTINGENCIES AND COMMITMENTS			
Outstanding guarantees		42,121,020	40,301,020
Future purchase contract - Shares		-	173,150,679
Future sale contract - Shares		-	68,852,695
14. RETURN ON INVESTMENTS			
	Three months ended	Nine months ended	
	31-Mar-13	31-Mar-12	31-Mar-13
	Rupees	Rupees	Rupees
	(Un-audited)	(Un-audited)	(Un-audited)
Mark-up / return on investments	2,487,934	8,034,839	8,417,455
Dividend income	30,375,821	24,452,765	52,215,747
Fair value loss on held for trading investment	275,706	(133,257)	37,584
Capital gain/(loss) on investments	3,570,530	(12,669,030)	11,401,693
	36,709,991	19,685,317	72,072,479
			57,810,596

15. OTHER INCOME

These include Compensation on delayed refunds amounting to Rs. 42.9 million. The Company had claimed income tax refunds from Tax Year 2003 to 2008 from the income tax authorities. These tax refunds were decided in due course by the appropriate income tax authorities and refund orders were subsequently issued to the Company.

The management believes that this Compensation on delayed refunds under Section 171 - Additional Payment for Delayed Refunds, of the Income Tax Ordinance, 2001 should be recognized based on the criteria for revenue recognition in "IAS 18 – Revenue" which states that Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity.

As a result of the inherent uncertainties related to the realization of the compensation on delayed income tax refunds, these should be recognized only when they can be estimated on a reasonable basis and the criteria as laid out in IAS 18 is met. Circumstances have arisen which have given reasonable basis to the management to recognize these as revenue in the financial period and that it is probable that the company will receive the same from income tax authorities. The amount of compensation on delayed refunds is calculated on a reasonable basis in light of the prevailing tax laws and guidelines.

The management did not recognize this compensation on delayed refunds in the past periods because these could not be estimated reasonably previously. The management's estimates of compensation on delayed refunds are revised because of the occurrence of circumstances which establish reasonable probability of the receipt of this compensation and reasonable basis on which to calculate these in the light of prevailing tax law and guidelines. The amounts are recognised in the financial statements as revenue and by adjusting the carrying amount of related assets as prescribed in the paragraphs 36 and 37 of the IAS 8 - Accounting policies, changes in accounting estimates and errors.

	Three months ended		Nine months ended	
	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)
16. ADMINISTRATIVE AND OTHER OPERATING EXPENSES				
Salaries, wages, other benefits and allowances	7,837,810	5,114,791	21,792,876	16,473,953
Staff Training and Welfare	11,362	7,366	66,697	29,656
Advertisement and business promotion	117,500	29,140	269,750	113,400
Rent, rates and taxes	1,089,538	1,530,789	3,386,982	5,351,465
Utilities	326,094	467,117	949,215	1,307,421
Communication charges	620,779	611,643	1,742,207	1,665,544
Traveling and vehicle maintenance	1,029,213	1,431,686	3,908,616	3,730,041
Repair and maintenance	452,022	329,158	1,516,007	1,156,981
Entertainment	395,492	292,283	982,210	807,175
Fee and subscriptions	684,538	1,129,806	1,793,847	1,705,729
Legal and professional charges	1,095,791	687,042	2,307,069	1,874,004
Printing and stationery	358,383	385,908	1,206,503	1,010,619
Fee, brokerage and commission	176,949	13,175	257,223	48,783
CDC and clearing charges	1,247,997	300,172	3,540,158	908,792
Insurance	275,111	114,337	811,553	380,412
Amortization of issuance cost of listed TFCs	507,225	262,193	1,521,675	1,048,841
Depreciation	2,367,950	2,660,210	7,065,533	7,980,652
Amortization on intangible assets	216,645	216,645	649,935	649,935
Staff motor vehicle contribution and insurance	-	19,533	-	58,599
Miscellaneous expenses	1,135	24,544	35,669	130,309
	18,811,534	15,627,538	53,803,725	46,432,311

17. TRANSACTIONS WITH RELATED PARTIES

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

	31-Mar-13 Rupees (Un-audited)	31-Mar-12 Rupees (Un-audited)
Transactions during the period		
Associated companies:		
Return on finances received	6,986,566	6,347,114
Profit paid on certificates of deposit	569,843	480,417
Advisory fee	-	6,000,000
Fixed assets sold	-	600,115
Chairman's secretariat expenses	2,700,000	2,700,000
Guarantee commission earned	97,454	619,826
Directors:		
Return on finances received	843,473	777,764
Profit paid on certificates of deposit	4,912,411	5,047,298
Executives:		
Return on finances received	182,112	903,434
Profit paid on certificates of deposit	5,240,169	5,636,177
Others:		
Contribution to staff retirement benefits plan	682,735	579,636
	31-Mar-13 Rupees (Un-audited)	30-Jun-12 Rupees (Audited)
Balance at the end of the period		
Associated companies:		
Financing outstanding	5,817,728	78,325,213
Letter of guarantee outstanding	42,121,020	40,301,020
Certificates of deposit outstanding	58,440,295	6,095,003
Profit receivable on financing	-	-
Other receivable	16,288,332	10,956,463
Directors:		
Financing outstanding	19,031,467	19,540,227
Certificates of deposit outstanding	60,692,600	60,692,600
Other receivable	-	-
Executives:		
Financing outstanding	3,339,525	3,441,731
Certificates of deposit outstanding	52,500,000	56,476,561

18. SEGMENTAL ANALYSIS

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

Financing activities

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

Investment activities

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

	Nine months ended 31 March 2013		
	Financing activities	Investing activities	Total
Profit on financing	33,442,297	-	33,442,297
Mark-up on lease finance	3,040	-	3,040
Return on placements	-	29,129,608	29,129,608
Return on investments	-	72,072,479	72,072,479
Total income for reportable segments	33,445,337	101,202,087	134,647,424
Finance costs	32,443,189	98,169,691	130,612,880
Administrative and other operating expenses	13,364,412	40,439,313	53,803,725
Provision for doubtful financing - reversed	-	-	-
Segment result	(12,362,264)	(37,406,917)	(49,769,181)
Other operating income			59,916,864
Loss before taxation			10,147,683
Segment assets	208,514,137	472,869,967	681,384,104
Unallocated assets			645,232,046
			1,326,616,150
Segment liabilities	119,349,040	192,142,810	311,491,850
Unallocated liabilities			739,708,447
Equity			275,415,853
			1,326,616,150

Nine months ended 31 March 2012

	Financing activities	Investing activities	Total
Profit on financing	27,903,390	-	27,903,390
Mark-up on lease finance	168,047	-	168,047
Return on placements		44,247,076	44,247,076
Return on investments		57,810,596	57,810,596
Fee and commission	-	8,284,574	8,284,574
Total income for reportable segments	28,071,437	110,342,246	138,413,683
Finance costs	25,283,254	99,382,552	124,665,806
Administrative and other operating expenses	9,416,856	37,015,455	46,432,311
Provision for doubtful financing - reversed	(605,179)		(605,179)
Segment result	(6,023,494)	(26,055,761)	(32,079,255)
Other operating income			14,233,311
Loss before taxation			(17,845,944)
Segment assets	234,030,164	655,297,870	889,328,034
Unallocated assets			567,825,610
			1,457,153,644
Segment liabilities	96,834,046	190,987,392	287,821,438
Unallocated liabilities			885,694,146
Equity			283,638,060
			1,457,153,644

19. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on 10th May 2013.

20. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director



ESCORTS INVESTMENT BANK LIMITED

Escorts House, 26-Davis Road, Lahore
Tel: 042-36371931-34 Fax: 042-36375950
Email: mailmanager@escortsbank.net
www.escortsbank.net