

Third Quarterly Report
for the period ended
31 March
2016



Contents

Corporate Information	02
Directors' Report	03
Condensed Interim Balance Sheet	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Statements	10
Condensed Interim Consolidated Financial Statements	17
Condensed Interim Consolidated Directors' Report	18
Condensed Interim Consolidated Balance Sheet	19
Condensed Interim Consolidated Profit and Loss Account	20
Condensed Interim Consolidated Statement of Comprehensive Income	21
Condensed Interim Consolidated Cash Flow Statement	22
Condensed Interim Consolidated Statement of Changes in Equity	23
Condensed Interim Notes to the Consolidated Financial Information	24

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

Muhammad Ashraf Ali

Muhammad Sharif Baqir

Company Secretary / Chief Financial Officer

Muhammad Irfan Choudhry

EXECUTIVE MANAGEMENT

President & Chief Executive Officer

Shazia Bashir

Head of Proprietary Investments

Hassan Abid Zaidi

Head of MIS

Kamran Chughtai

AUDIT COMMITTEE

Chairman

Tajamul Hussain Bokharee

Members

Bairam Qureishy

Mutahir Ahmed

Secretary

Muhammad Mukarram

Internal Auditors

Nasir Javaid Maqsood Imran & Co.

Chartered Accountants

External Auditors

Tariq Abdul Ghani Maqbool & Co.

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

Askari Bank Limited

MCB Bank Limited

NIB Bank Limited

Sind Bank Limited

NETWORK

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Directors' Report

The Board of Directors of Escorts Investment Bank Limited ("the Company") is pleased to present before you the un-audited financial statements of the period ended 31 March 2016.

The NBFC sector in Pakistan is continuously facing obstacles in its business activities due to factors such as reluctance of financial institutions/commercial banks to lend borrowings to NBFCs.

Your company posted as loss after tax of Rs. 64.545 million for the nine months ended 31 March 2016 reflecting EPS of Rs. (1.46) as compared to a loss of Rs. 30.537 million and EPS of Rs. (0.69) corresponding period of last year. The primary reason for loss is 84.27% reduction in return on investments and the reduction of 18.57% in cost of Certificate of Investment (COIs) due to decrease in deposits. The administrative expenses also reduce from 6.072% as compared to the corresponding period of last year. Brokerage commission also significantly decreased from Rs. 18.901 million to Rs. 0.82 million showing a total decrease of 95.62% as compared to the corresponding period of the last year.

Going forward, the management has planned to focus on the high yield products like Bill Discounting, Micro Finance, Islamic mode of Financing, as allowed under new NBFC regime and increase the portfolio of Margin Financing as the activity in equity market is improving day by day. Management is also emphasizing on non-funded products and aspires to attract business in this regard in near future.

Regarding the shortage in minimum equity requirement. The management of your company has given its view in note no. 2.02 of condensed interim notes to the Financial Statements.

The board wishes to place on record the gratitude to SECP for their continued valued support, assistance and guidance. The board would also like to take this opportunity to express their admiration to the employees of the company for their commitment and hard work. The company recognizes and records its gratitude for their efforts.

For and on behalf of the Board

Shazia Bashir
President and Chief Executive Officer
Lahore: 27 April 2016

Condensed Interim Balance Sheet

As at 31 March 2016

	Note	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	98,138,673	103,950,542
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	100,791,322	100,838,285
Long term finances		152,678,714	148,978,824
Long term loans and advances		878,849	2,336,442
Long term deposits and prepayments		45,754,950	46,247,634
Deferred tax asset		136,551,606	136,551,607
		743,248,114	747,357,334
CURRENT ASSETS			
Current maturities of non-current assets		56,992,475	62,721,039
Short term investments	7	167,765,290	171,686,039
Short term finances		88,660,156	322,855,705
Advances		4,684,215	3,926,965
Short term deposits and prepayments		1,495,163	722,238
Interest accrued		22,096,269	23,568,869
Other receivables		117,317,770	83,457,672
Tax refunds due from the government		178,671,747	210,186,541
Cash and bank balances		1,963,705	5,489,402
		639,646,790	884,614,470
		1,382,894,904	1,631,971,804
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		441,000,000	441,000,000
Reserves		(41,743,452)	15,640,913
		399,256,548	456,640,913
Surplus on revaluation of property, plant and equipment		31,530,576	32,759,040
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term certificates of deposit		296,129,042	290,116,323
CURRENT LIABILITIES			
Current maturities of non-current liabilities		282,537,607	408,601,310
Short term borrowings		100,000,000	-
Short term certificates of deposit		189,752,860	382,801,480
Accrued markup		13,140,591	9,291,796
Trade and other payables	8	56,828,854	38,035,512
Provision for taxation		13,718,826	13,725,430
		655,978,738	852,455,528
Contingencies and commitments	9	-	-
		1,382,894,904	1,631,971,804

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Profit and Loss Account

For the period ended 31 March 2016 (Un-audited)

	Note	Nine months ended		Quarter ended	
		31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
INCOME					
Profit on financing		65,415,297	78,808,240	14,896,996	25,995,780
Return on placements		-	38,287	-	31,780
Return on investments	10	3,836,064	24,391,635	883,933	7,344,094
Fees and commission		827,751	18,901,436	-	8,574,616
Profit on bank deposits		711,071	3,758,740	158,779	604,018
Other income		9,693,770	5,273,676	506,186	1,028,033
		80,483,953	131,172,014	16,445,894	43,578,321
EXPENSES					
Return on certificates of deposit		94,825,367	116,457,251	25,498,015	34,128,138
Return on term finance certificates		-	413,364	-	-
Mark-up on borrowings from financial institutions		3,554,579	3,282,753	2,144,133	1,307,476
Amortization of premium on held to maturity investments		46,962	42,750	15,654	14,250
Administrative and other operating expenses	11	46,553,990	49,563,811	15,330,084	15,215,552
Other financial charges		55,462	63,694	17,844	14,039
		145,036,360	169,823,623	43,005,730	50,679,455
Operating loss before provisions and taxation		(64,552,407)	(38,651,609)	(26,559,836)	(7,101,134)
Provision for doubtful financing		-	(412,786)	-	-
Loss before taxation		(64,552,407)	(39,064,395)	(26,559,836)	(7,101,134)
Taxation		6,604	8,527,402	119,319	(553,666)
Net loss for the period		(64,545,803)	(30,536,993)	(26,440,517)	(7,654,800)
Loss per share-basic and diluted		(1.46)	(0.69)	(0.60)	(0.17)

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Comprehensive Income

For the period ended 31 March 2016 (Un-audited)

	Nine months ended		Quarter ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Net loss for the period	(64,545,803)	(30,536,993)	(26,440,517)	(7,654,800)
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss account				
- Gain on remeasurement of available for sale investments	5,932,974	(433,187)	3,232,754	(1,965,529)
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-
Total comprehensive loss for the period	(58,612,829)	(30,970,180)	(23,207,763)	(9,620,329)

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Cash Flow Statement

For the period ended 31 March 2016 (Un-audited)

	31-Mar-16 Rupees	31-Mar-15 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(64,552,407)	(39,064,395)
Adjustment for non cash expenses and other items:		
Dividend income	(233,374)	(790,394)
Depreciation on property and equipment	6,152,663	6,849,134
Amortization on intangible assets	64,220	96,321
Provision for doubtful financing	-	412,786
Amortization of premium on held to maturity investments	46,962	42,750
Amortization of issuance cost of listed TFCs	-	338,153
Gain on sale of fixed assets	-	(1,215,000)
Fair value gain on held for trading investment	-	(676,880)
	6,030,471	5,056,870
	(58,521,936)	(34,007,524)
Decrease / (increase) in operating assets		
Disbursements of finances - net	233,198,254	44,554,899
Net investment in lease finance	-	326,132
Investments - net	9,853,899	226,846,329
Long term and short term advances	1,197,176	(2,494,701)
Interest accrued	1,472,600	(10,802,413)
Other receivables	(33,860,098)	35,083,052
Deposits and prepayments	1,509,218	5,907,699
	213,371,049	299,420,997
(Decrease) / Increase in operating liabilities		
Borrowings from financial institutions	100,000,000	21,042,855
Certificates of deposit	(312,360,104)	(214,509,842)
Accrued markup	3,848,920	1,147,607
Trade and other payables	18,793,342	(70,725,760)
	(189,717,842)	(263,045,140)
	23,653,207	36,375,857
Net cash used in operations	(34,868,729)	2,368,333
Taxation - net	31,514,794	16,203,742
Net cash generated from / (used in) operating activities	(3,353,935)	18,572,075
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(405,136)	(2,573,192)
Dividend received	233,374	790,394
Proceeds from sale of fixed assets	-	1,215,000
Net cash generated from / (used in) investing activities	(171,762)	(567,798)
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of listed term finance certificates	-	(24,979,800)
Net cash used in financing activities	-	(24,979,800)
Net increase / (decrease) in cash and cash equivalents	(3,525,697)	(6,975,523)
Cash and cash equivalents at the beginning of the period	5,489,402	50,716,737
Cash and cash equivalents at the end of the period	1,963,705	43,741,214

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity

For the period ended 31 March 2016 (Un-audited)

	Share capital	Capital Reserves		Revenue Reserves	Total
		Statutory reserve	Loss on remeasurement of available for sale investments	Accumulated loss	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2014	441,000,000	158,496,746	(7,664,952)	(117,595,142)	474,236,652
Total Comprehensive Income for the period:					
Net loss for the Period	-	-	-	(30,536,993)	(30,536,993)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	(433,187)	-	(433,187)
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	(433,187)	(30,536,993)	(30,970,180)
Incremental depreciation on revalued assets for the period				1,293,120	1,293,120
Balance as at 31 March 2015	441,000,000	158,496,746	(8,098,139)	(146,839,015)	444,559,592
Total Comprehensive Income for the period:					
Profit for the period ended 30 June 2015	-	-	-	9,485,291	9,485,291
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	2,164,990	-	2,164,990
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	2,164,990	9,485,291	11,650,281
Incremental depreciation on revalued assets for the period				431,040	431,040
Balance as at 01 July 2015	441,000,000	158,496,746	(5,933,149)	(136,922,684)	456,640,913
Total Comprehensive Income for the period:					
Net loss for the period ended 31 March 2016	-	-	-	(64,545,803)	(64,545,803)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	5,932,974	-	5,932,974
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	5,932,974	(64,545,803)	(58,612,829)
Incremental depreciation on revalued assets for the period				1,228,464	1,228,464
Balance as at 31 March 2016	441,000,000	158,496,746	(175)	(200,240,023)	399,256,548

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Notes to the Condensed Interim Financial Information

For the Nine months ended 31 March 2016 (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”).

1.01 Parent Company

Escorts Investment Bank Limited (“the Company”) is a public limited company incorporated in Pakistan under the provisions of 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 Pakistan stock exchange Limited. 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.

1.02 Subsidiary Company

Escorts Capital Limited was incorporated as a public limited company on 05 June 2008 under the provisions of the Companies Ordinance, 1984. ESCAP is engaged in the business of stock brokerage, portfolio management and trading in listed securities on Pakistan Stock Exchange Limited. The registered office of ESCAP is located at Escorts House, 26 Davis Road, Lahore. ESCAP is a member of the Pakistan Stock Exchange Limited.

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 20 March 2016. The ratings denote an adequate capacity of timely payment of financial commitments.

2. BASIS OF PRESENTATION

2.01 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 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 2015.

2.02 The condensed interim financial information of the company reflect that the equity of the company as at 31 March 2016 is Rs. 399.256 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 2015.

3.01 Changes in accounting standards and interpretations

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after 01 January 2015 and are considered to be relevant to the Company's operations.

IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

IFRS 10 replaces the current guidance on consolidation in IAS 27 'Consolidated and Separate Financial Statements'. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable return and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Company.

IFRS 12 prescribes additional disclosures around significant judgments and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosure on the nature and risks associated with interests in unconsolidated structured entities. The application of IFRS 12 did not result in any investee being in control of the Company.

IFRS 13 'Fair Value Measurement', consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the condensed interim financial information of the Company.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 01 January 2015, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in this condensed interim financial information.

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 2015.

	Note	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
5. FIXED ASSETS			
Tangible			
- Property and equipments	5.01	97,945,985	103,693,637
Intangible assets		192,688	256,905
		98,138,673	103,950,542
5.01 Property and equipments			
Opening written down value		103,693,637	110,287,188
Additions:			
Computer equipment		405,136	72,960
Office equipment		-	135,732
Vehicles		-	2,374,000
		405,136	2,582,692
Disposals:			
Vehicles	5.01.1	-	-
Depreciation for the period / year		6,152,788	9,176,243
Closing written down value		97,945,985	103,693,637
5.01.1 Particulars of vehicles disposed off during the period:			
Cost		-	1,685,440
Accumulated depreciation		-	(1,685,440)
Book value		-	-
6. LONG TERM INVESTMENTS			
Held to maturity			
Pakistan investment bonds		100,791,322	100,838,285
7. SHORT TERM INVESTMENTS			
a) Held to maturity			
Treasury bills		87,729,133	65,861,977
b) Held for trading			
i) Shares/ units			
Others		11,147,704	11,147,704
ii) Investment in commodities		68,888,453	70,882,683
c) Available for sale			
Listed shares / units		-	29,726,824
		167,765,290	177,619,188
Deficit on remeasurement		-	(5,933,149)
		167,765,290	171,686,039
8. TRADE AND OTHER PAYABLES			
Customers' credit balances		20,171,477	8,027,600
Accrued expenses and other payables		32,919,861	25,264,142
Provision for compensated absences		1,351,862	2,358,116
Unclaimed dividend		2,385,654	2,385,654
		56,828,854	38,035,512

	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
There exist no known contingencies as at balance sheet date.		
b) Commitments		
Outstanding guarantees	59,428,211	11,668,397

10. RETURN ON INVESTMENTS

	Nine months ended		Quarter ended	
	31-Mar-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)	31-Mar-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)
Mark-up / return on investments	11,494,032	12,431,546	4,037,021	4,308,864
Dividend income	233,374	790,394	-	37,563
Capital (Loss) / gain on listed shares/securities	(7,891,342)	11,169,695	(3,153,088)	2,997,667
	3,836,064	24,391,635	883,933	7,344,094

11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Salaries, wages and benefits	23,000,668	22,922,014	7,135,847	7,039,129
Staff training and welfare	193,163	64,949	-	6,700
Advertisement and business promotion	195,700	152,618	120,000	12,850
Rent, rates and taxes	4,838,801	2,806,119	1,226,898	574,293
Utilities	1,231,726	1,444,033	521,622	466,408
Communication charges	1,297,558	1,374,098	463,804	420,187
Traveling and conveyance	3,070,443	3,996,428	1,227,440	1,272,333
Repair and maintenance	1,804,248	1,314,060	565,938	475,194
Entertainment	755,835	757,910	253,354	253,313
Fee and subscriptions	496,846	1,342,947	71,397	427,621
Legal and professional charges	1,808,784	2,295,991	1,184,520	1,317,510
Printing and stationery	856,751	773,232	244,938	206,886
Fee, brokerage and commission	64,095	51,987	37,481	27,189
CDC and clearing charges	-	2,073,628	-	-
Insurance	565,548	680,024	163,962	242,566
Amortization of issuance cost of listed TFCs	-	338,153	-	-
Depreciation	6,152,663	6,849,134	2,066,110	2,326,677
Amortization on intangible assets	64,224	96,321	21,408	32,106
Miscellaneous expenses	156,937	230,165	25,365	114,590
	46,553,990	49,563,811	15,330,084	15,215,552

12. 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-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)
Transactions during the period		
Subsidiary Company:		
Profit paid on certificates of deposit	2,707,397	3,008,219
Return on finances received	-	8,000,000
Fee/ commission earned during the period	-	18,871,496
Return on assets	9,042,396	12,019,967
Associated companies:		
Return on finances received	968,836	127,716
Profit paid on certificates of deposit	2,693,519	2,357,454
Vehicle purchased	-	2,300,000
Guarantee commission earned	-	-
Directors:		
Return on finances received	1,033,470	1,716,939
Profit paid on certificates of deposit	5,840,066	5,818,751
Fixed assets sold	-	2,300,000
Executives:		
Return on finances received	17,538	142,463
Profit paid on certificates of deposit	5,000,495	5,089,234
Proceeds from sale of vehicle	-	1,215,000
Others:		
Contribution to staff retirement benefits plan	766,501	862,250
	31-Mar-16 Rupees	30-Jun-15 Rupees
Balance at the end of the period		
Subsidiary Company:		
Finances outstanding	100,000,000	100,000,000
Certificates of deposit outstanding	50,000,000	50,000,000
Receivable from subsidiary company	114,844,297	57,764,985
Profit receivable on financing	18,853,521	6,853,521
Markup payable on COD	1,660,274	147,945
Associated companies:		
Advances outstanding	33,560,371	34,339,673
Letter of guarantee outstanding	8,336,373	8,336,373
Certificates of deposit outstanding	34,357,049	34,357,049
Other receivable / (payable)	29,114,701	29,413,353
Markup payable on COD	123,351	113,521

	31-Mar-16 Rupees	30-Jun-15 Rupees
Directors:		
Financing outstanding	36,846,444	38,437,185
Certificates of deposit outstanding	60,692,600	60,692,600
Other receivable	1,337,345	1,215,000
Markup payable on COD	379,133	357,819
Executives:		
Advances outstanding	1,373,528	4,203,789
Certificates of deposit outstanding	50,000,000	5,700,000
Markup payable on COD	318,493	309,754

13. 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.

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.

Nine Months ended 31 March 2016

	Financing activities	Investing activities	Total
Profit on financing	65,415,297	-	65,415,297
Return on investments	-	3,836,064	3,836,064
Total income for reportable segments	65,415,297	3,836,064	69,251,361
Finance costs	94,330,930	4,151,440	98,482,370
Administrative and other operating expenses	44,723,304	1,830,686	46,553,990
Segment result	(73,638,937)	(2,146,062)	(75,784,999)
Other operating income			11,232,592
Loss before taxation			(64,552,407)
Segment assets	300,737,095	496,089,215	796,826,310
Unallocated assets			586,068,594
			1,382,894,904
Segment liabilities	204,463,382	328,564,444	533,027,825
Unallocated liabilities			450,610,532
Equity			399,256,548
			1,382,894,904

Nine Months ended 31 March 2015

	Financing activities	Investing activities	Total
Profit on financing	78,808,240	-	78,808,240
Return on placements	-	38,287	38,287
Return on investments	-	24,391,635	24,391,635
Total income for reportable segments	78,808,240	24,429,922	103,238,162
Finance costs	91,801,946	28,457,866	120,259,812
Administrative and other operating expenses	37,835,202	11,728,609	49,563,811
Provision for doubtful financing	412,786		412,786
Segment result	(51,241,694)	(15,756,553)	(66,998,247)
Other operating income			27,933,852
Loss before taxation			(39,064,395)
Segment assets	422,507,263	566,152,589	988,659,852
Unallocated assets			585,219,236
			1,573,879,088
Segment liabilities	234,269,723	312,006,609	546,276,332
Unallocated liabilities			574,945,025
Equity			452,657,731
			1,573,879,088

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it 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 annual financial statements for the year ended 30 June 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company as at and for the year ended 30 June 2015.

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

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 27 April 2016.

16. GENERAL

- 16.01** The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2016 and 2015 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.
- 16.02** Corresponding figures have been re-arranged and/or re-classified for the purpose of better presentation the effect of which is not material.
- 16.03** Figures have been rounded off to the nearest of rupee.

Chief Executive Officer

Director

Consolidated Financial Statements - Group

31 March 2016

Director's Report to Un-Audited Condensed Interim Consolidated Financial Statements

The Board of Directors of Escorts Investment Bank Limited and its subsidiary company Escorts Capital Limited ("the Group") is pleased to present before you the un-audited Condensed Interim Consolidated Financial Statements of the period ended 31 March 2016.

Your Group posted as loss after tax of Rs. 73.312 million for the nine months ended 31 March 2016 reflecting EPS of Rs. (1.66) as compared to a loss of Rs. 44.570 million and EPS of Rs. (1.01) corresponding period of last year. The primary reason for loss is 84.27% decrease in return on investments and the reduction of 19.34% in cost of Certificate of Investment (COIs) due to decrease in deposits. The administrative expenses also reduce of 15.35% as compared to the corresponding period of last year. Brokerage commission also decreased from Rs. 71.809 million to Rs. 46.774 million showing a total decrease of 34.86% as compared to the corresponding period of the last year.

Going forward, the management has planned to focus on the high yield products like Bill Discounting, Micro Finance, Islamic mode of Financing, as allowed under new NBFC regime and increase the portfolio of Margin Financing as the activity in equity market is improving day by day and it will also improve the brokerage revenues of the Subsidiary Company. Management is also emphasizing on non-funded products and aspires to attract business in this regard in near future.

For and on behalf of the Board

Shazia Bashir

President and Chief Executive Officer

Lahore: 27 April 2016

Condensed Interim Consolidated Balance Sheet As at 31 March 2016

	Note	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	101,113,673	107,369,269
Cards and rooms		36,441,420	36,441,420
Long term investment in subsidiary company		-	-
Long term investments	6	149,304,902	149,351,865
Long term finances		52,678,714	48,978,824
Long term loans and advances		878,849	2,336,442
Long term deposits and prepayments		4,133,609	2,993,714
Deferred tax asset		136,551,606	136,551,606
		481,102,773	484,023,141
CURRENT ASSETS			
Current maturities of non-current assets		56,992,475	62,721,039
Short term investments	7	167,765,571	171,686,039
Short term finances		88,660,156	322,855,705
Advances		6,216,049	5,234,905
Short term deposits and prepayments		23,681,163	78,762,238
Interest accrued		3,986,653	17,459,253
Other receivables		62,909,554	152,014,901
Tax refunds due from the government		185,710,875	216,869,505
Cash and bank balances		7,617,671	29,359,455
		603,540,167	1,056,963,040
		1,084,642,940	1,540,986,181
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		441,000,000	441,000,000
Reserves		(324,199,779)	(258,048,604)
		116,800,221	182,951,396
Surplus on revaluation of property, plant and equipment		31,530,576	32,759,040
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term certificates of deposit		296,129,042	290,116,323
CURRENT LIABILITIES			
Current maturities of non-current liabilities		282,537,607	408,601,310
Short term borrowings		100,000,000	-
Short term certificates of deposit		139,752,860	332,801,480
Accrued markup		11,480,317	9,143,851
Trade and other payables	8	92,422,027	270,887,351
Provision for taxation		13,990,290	13,725,430
		640,183,101	1,035,159,422
Contingencies and commitments	9	-	-
		1,084,642,940	1,540,986,181

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim Consolidated Profit and Loss Account For the period ended 31 March 2016 (Un-audited)

	Note	Nine months ended		Quarter ended	
		31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
INCOME					
Profit on financing		44,372,901	54,885,629	4,130,065	17,715,570
Return on placements		-	38,287	-	31,780
Return on investments	10	3,836,064	24,391,635	(22,516,067)	7,344,094
Fees and commission		46,774,203	71,809,893	5,871,070	31,991,705
Profit on bank deposits		2,953,418	6,817,505	686,768	1,090,549
Other income		9,693,770	9,240,973	506,186	3,504,940
		107,630,356	167,183,922	(11,321,978)	61,678,638
EXPENSES					
Return on certificates of deposit		90,304,819	111,953,141	25,498,015	32,632,247
Return on term finance certificates		-	413,364	-	-
Mark-up on borrowings from financial institutions		3,554,579	3,282,753	2,144,133	1,307,476
Amortization of premium on held to maturity investments		46,962	42,750	15,654	14,250
Administrative and other operating expenses	11	84,020,231	99,261,475	22,005,965	34,779,057
Other financial charges		87,643	113,514	26,932	31,792
		178,014,234	215,066,997	49,690,699	68,764,822
Operating loss before provisions and taxation		(70,383,878)	(47,883,075)	(61,012,677)	(7,086,184)
Provision for doubtful financing		-	(412,786)	-	-
Loss before taxation		(70,383,878)	(48,295,861)	(61,012,677)	(7,086,184)
Taxation		(2,928,910)	3,725,441	(527,630)	(2,737,908)
Net loss for the period		(73,312,788)	(44,570,420)	(61,540,307)	(9,824,092)
Loss per share-basic and diluted		(1.66)	(1.01)	(1.40)	(0.22)

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Consolidated Statement of Comprehensive Income

For the period ended 31 March 2016 (Un-audited)

	Nine months ended		Quarter ended	
	31-Mar-16 Rupees	31-Mar-15 Rupees	31-Mar-16 Rupees	31-Mar-15 Rupees
Net loss for the period	(73,312,788)	(44,570,420)	(61,540,307)	(9,824,092)
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss account				
- Gain on remeasurement of available for sale investments	5,933,149	(433,187)	3,232,754	(1,965,529)
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-
Total comprehensive loss for the period	(67,379,639)	(45,003,607)	(58,307,553)	(11,789,621)

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Consolidated Cash Flow Statement

For the period ended 31 March 2016 (Un-audited)

	31-Mar-16 Rupees	31-Mar-15 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(70,383,878)	(41,209,677)
Adjustment for non cash expenses and other items:		
Dividend income	(233,374)	(752,831)
Depreciation on property and equipment	6,538,850	4,835,392
Amortization on intangible assets	121,880	107,251
Provision for doubtful financing	-	412,786
Amortization of premium on held to maturity investments	46,962	28,500
Amortization of issuance cost of listed TFCs	-	338,153
Gain on sale of fixed assets	-	(1,215,000)
Fair value gain on held for trading investment	-	(392,202)
	6,474,318	3,362,049
	(63,909,560)	(37,847,627)
Decrease / (increase) in operating assets		
Disbursements of finances - net	233,198,254	(31,362,608)
Net investment in lease finance	-	37,302
Investments - net	9,853,618	107,963,155
Long term and short term advances	973,459	(2,739,922)
Interest accrued	13,472,600	(4,262,151)
Other receivables	89,105,347	(18,746,292)
Deposits and prepayments	55,730,639	(12,119,789)
	402,333,917	38,769,695
(Decrease) / Increase in operating liabilities		
Borrowings from financial institutions	100,000,000	18,283,275
Certificates of deposit	(312,360,104)	(13,964,583)
Accrued markup	2,336,469	5,720,444
Trade and other payables	(178,465,324)	(17,960,707)
	(388,488,959)	(7,921,571)
	13,844,958	30,848,124
Net cash used in operations	(50,064,602)	(6,999,503)
Taxation - net	28,494,580	(6,637,156)
Net cash generated from / (used in) operating activities	(21,570,022)	(13,636,659)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(405,136)	(2,916,941)
Dividend received	233,374	752,831
Proceeds from sale of fixed assets	-	1,215,000
Net cash generated from / (used in) investing activities	(171,762)	(949,110)
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of listed term finance certificates	-	(24,979,800)
Net cash used in financing activities	-	(24,979,800)
Net increase / (decrease) in cash and cash equivalents	(21,741,784)	(39,565,570)
Cash and cash equivalents at the beginning of the period	29,359,455	53,225,197
Cash and cash equivalents at the end of the period	7,617,671	13,659,627

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Condensed Interim Consolidated Cash Statement of Changes in Equity

For the period ended 31 March 2016 (Un-audited)

	Share capital	Capital Reserves		Revenue Reserves	Total
		Statutory reserve	Loss on remeasurement of available for sale investments	Accumulated loss	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2014	441,000,000	158,496,746	(7,664,952)	(375,682,789)	216,149,005
Total Comprehensive Income for the period:					
Net loss for the Period	-	-	-	(44,570,420)	(44,570,420)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	(433,187)	-	(433,187)
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	(433,187)	(44,570,420)	(45,003,607)
Incremental depreciation on revalued assets for the period				1,293,120	1,293,120
Balance as at 31 March 2015	441,000,000	158,496,746	(8,098,139)	(418,960,089)	172,438,518
Total Comprehensive Income for the period:					
Profit for the period ended 30 June 2015	-	-	-	7,916,848	7,916,848
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	2,164,990	-	2,164,990
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	2,164,990	7,916,848	10,081,838
Incremental depreciation on revalued assets for the period				431,040	431,040
Balance as at 01 July 2015	441,000,000	158,496,746	(5,933,149)	(410,612,201)	182,951,396
Total Comprehensive Income for the period:					
Net loss for the period ended 31 March 2016	-	-	-	(73,312,788)	(73,312,788)
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss account					
- Gain on remeasurement of available for sale investments	-	-	5,933,149	-	5,933,149
Items that not to be reclassified subsequently to profit and loss account	-	-	-	-	-
	-	-	5,933,149	(73,312,788)	(67,379,639)
Incremental depreciation on revalued assets for the period				1,228,464	1,228,464
Balance as at 31 March 2016	441,000,000	158,496,746	-	(482,696,525)	116,800,221

The annexed notes from 01 to 16 form an integral part of this condensed interim financial information.

Notes to the Condensed Interim Consolidated Financial Information

For the Nine months ended 31 March 2016 (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”).

1.01 Parent Company

Escorts Investment Bank Limited (“the Company”) is a public limited company incorporated in Pakistan under the provisions of 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 Pakistan stock exchange Limited. 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.

1.02 Subsidiary Company

Escorts Capital Limited was incorporated as a public limited company on 05 June 2008 under the provisions of the Companies Ordinance, 1984. ESCAP is engaged in the business of stock brokerage, portfolio management and trading in listed securities on Pakistan Stock Exchange Limited. The registered office of ESCAP is located at Escorts House, 26 Davis Road, Lahore. ESCAP is a member of the Pakistan Stock Exchange Limited.

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 20 March 2016. The ratings denote an adequate capacity of timely payment of financial commitments.

2. BASIS OF PRESENTATION

2.01 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 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 2015.

2.02 The condensed interim financial information of the company reflect that the equity of the company as at 31 March 2016 is Rs. 116.80 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 2015.

3.01 Changes in accounting standards and interpretations

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after 01 January 2015 and are considered to be relevant to the Company's operations.

IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

IFRS 10 replaces the current guidance on consolidation in IAS 27 'Consolidated and Separate Financial Statements'. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable return and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 did not result in any investee being in control of the Company.

IFRS 12 prescribes additional disclosures around significant judgments and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosure on the nature and risks associated with interests in unconsolidated structured entities. The application of IFRS 12 did not result in any investee being in control of the Company.

IFRS 13 'Fair Value Measurement', consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have an impact on the condensed interim financial information of the Company.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 01 January 2015, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in this condensed interim financial information.

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 2015.

	Note	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
5. FIXED ASSETS			
Tangible			
- Property and equipments	5.01	100,747,981	106,881,695
Intangible assets		365,692	487,574
		101,113,673	107,369,269

	Note	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
5.01 Property and equipments			
Opening written down value		106,881,695	113,685,422
Additions:			
Computer equipment		405,136	356,840
Office equipment		-	289,032
Vehicles		-	2,374,000
		405,136	3,019,872
Disposals:			
Vehicles	5.01.1	-	-
Depreciation for the period / year		6,538,850	9,823,599
Closing written down value		100,747,981	106,881,695
5.01.1 Particulars of vehicles disposed off during the period:			
Cost		-	1,685,440
Accumulated depreciation		-	(1,685,440)
Book value		-	-
6. LONG TERM INVESTMENTS			
a) Held to maturity			
Pakistan investment bonds		100,791,322	100,838,285
b) Available for sale - at cost			
Investment in unquoted Companies	6.01	48,513,580	48,513,580
		149,304,902	149,351,865
6.01 Investment in Unquoted Companies			
Karachi Stock Exchange Limited (KSE)		40,073,830	40,073,830
Lahore Stock Exchange Limited (LSE)		8,439,750	8,439,750
		48,513,580	48,513,580
7. SHORT TERM INVESTMENTS			
a) Held to maturity			
Treasury bills		87,729,133	65,861,977
b) Held for trading			
i) Shares/ units			
Others		11,147,704	11,147,704
ii) Investment in commodities		68,888,453	70,882,683
c) Available for sale			
Listed shares / units		281	29,726,824
		167,765,571	177,619,188
Deficit on remeasurement		-	(5,933,149)
		167,765,571	171,686,039
8. TRADE AND OTHER PAYABLES			
Customers' credit balances		48,146,330	232,030,400
Accrued expenses and other payables		40,538,181	34,113,181
Provision for compensated absences		1,351,862	2,358,116
Unclaimed dividend		2,385,654	2,385,654
		92,422,027	270,887,351

	31-Mar-16 Rupees (Un-audited)	30-Jun-15 Rupees (Audited)
9. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
There exist no known contingencies as at balance sheet date.		
b) Commitments		
Outstanding guarantees	59,428,211	11,668,397

10. RETURN ON INVESTMENTS

	Nine months ended		Quarter ended	
	31-Mar-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)	31-Mar-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)
Mark-up / return on investments	11,494,032	12,431,546	4,037,021	4,308,864
Dividend income	233,374	790,394	-	37,563
Capital (Loss) / gain on listed shares/securities	(7,891,342)	11,169,695	(26,553,088)	2,997,667
	3,836,064	24,391,635	(22,516,067)	7,344,094

11. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Salaries, wages and benefits	30,229,827	59,250,422	9,117,952	21,814,528
Commission paid to traders	19,360,011		2,419,086	
Staff training and welfare	193,163	64,949	-	6,700
Advertisement and business promotion	204,200	152,618	128,500	12,850
Rent, rates and taxes	5,224,846	5,154,227	1,277,718	1,409,598
Utilities	1,772,813	1,985,090	627,353	610,817
Communication charges	3,355,295	3,140,652	973,742	1,057,455
Traveling and conveyance	3,386,090	4,433,344	1,323,013	1,385,229
Repair and maintenance	2,323,196	1,744,964	714,220	641,905
Entertainment	1,018,179	980,181	342,896	392,782
Fee and subscriptions	1,022,446	1,753,497	126,397	482,621
Legal and professional charges	3,392,978	2,928,741	1,414,514	1,327,510
Printing and stationery	1,007,208	1,099,935	269,016	353,602
Fee, brokerage and commission	64,095	51,987	37,481	27,189
CDC and clearing charges	3,716,207	7,452,521	667,201	2,336,071
Insurance	967,073	977,669	163,962	242,566
Amortization of issuance cost of listed TFCs	-	338,153	-	-
Depreciation	6,538,850	7,329,000	2,366,487	2,493,698
Amortization on intangible assets	64,224	166,725	8,595	59,474
Miscellaneous expenses	179,530	256,710	27,832	124,462
	84,020,231	99,261,385	22,005,965	34,779,057

12. 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-16 Rupees (Un-audited)	31-Mar-15 Rupees (Un-audited)
Transactions during the period		
Associated companies:		
Return on finances received	968,836	127,716
Profit paid on certificates of deposit	2,693,519	2,357,454
Vehicle purchased	-	2,300,000
Directors:		
Return on finances received	1,033,470	1,716,939
Profit paid on certificates of deposit	5,840,066	5,818,751
Executives:		
Return on finances received	17,538	142,463
Profit paid on certificates of deposit	5,000,495	5,089,234
Proceeds from sale of vehicle	-	1,215,000
Others:		
Contribution to staff retirement benefits plan	766,501	1,178,258
	31-Mar-16 Rupees	30-Jun-15 Rupees
Balance at the end of the period		
Associated companies:		
Advances outstanding	33,560,371	34,339,673
Letter of guarantee outstanding	8,336,373	8,336,373
Certificates of deposit outstanding	34,357,049	34,357,049
Other receivable / (payable)	29,114,701	29,413,353
Markup payable on COD	123,351	113,521

	31-Mar-16 Rupees	30-Jun-15 Rupees
Directors:		
Financing outstanding	36,846,444	38,437,185
Certificates of deposit outstanding	60,692,600	60,692,600
Other receivable	1,337,345	1,215,000
Markup payable on COD	379,133	357,819
Executives:		
Advances outstanding	1,373,528	4,203,789
Certificates of deposit outstanding	50,000,000	5,700,000
Markup payable on COD	318,493	309,754

13. 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.

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.

Nine Months ended 31 March 2016

	Financing activities	Investing activities	Total
Profit on financing	44,372,901	-	44,372,901
Return on investments	-	3,836,064	3,836,064
Total income for reportable segments	44,372,901	3,836,064	48,208,965
Finance costs	89,842,563	4,151,440	93,994,003
Administrative and other operating expenses	82,189,545	1,830,686	84,020,231
Segment result	(127,659,207)	(2,146,062)	(129,805,269)
Other operating income			59,421,391
Loss before taxation			(70,383,878)
Segment assets	200,737,095	354,480,880	555,217,975
Unallocated assets			529,424,965
			1,084,642,940
Segment liabilities	89,620,093	160,951,406	250,571,498
Unallocated liabilities			717,271,222
Equity			116,800,221
			1,084,642,940

Nine Months ended 31 March 2015

	Financing activities	Investing activities	Total
Profit on financing	54,885,629	-	54,885,629
Return on placements	-	38,287	38,287
Return on investments	-	24,391,635	24,391,635
Total income for reportable segments	54,885,629	24,429,922	79,315,551
Finance costs	80,136,352	35,669,170	115,805,522
Administrative and other operating expenses	68,688,024	30,573,451	99,261,475
Provision for doubtful financing	412,786		412,786
Segment result	(94,351,533)	(41,812,699)	(136,164,232)
Other operating income			87,868,371
Loss before taxation			(48,295,861)
Segment assets	322,507,263	436,641,330	759,148,593
Unallocated assets			743,017,171
			1,502,165,764
Segment liabilities	116,035,989	158,119,269	274,155,258
Unallocated liabilities			1,047,473,849
Equity			180,536,657
			1,502,165,764

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it 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 annual financial statements for the year ended 30 June 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company as at and for the year ended 30 June 2015.

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

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 27 April 2016.

16. GENERAL

16.01 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 March 2016 and 2015 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

16.02 Corresponding figures have been re-arranged and/or re-classified for the purpose of better presentation the effect of which is not material.

16.03 Figures have been rounded off to the nearest of rupee.

Chief Executive Officer

Director



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