October 29, 2018

Ref: EIBL/CS/PSX/2018/00519

General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi – 74000, Pakistan

Through PUCARS & Courier

Subject: **Material Information – Declaration of Right Shares**

Dear Sir,

In accordance with the requirements of the applicable provisions of the Securities Act, 2015 and the Rule Book of Pakistan Stock Exchange Limited, we are pleased to inform you that the Board of Directors of ESCORTS INVESTMENT BANK LIMITED in its meeting held on October 29, 2018 at the registered office of the company situated at Alfalah Building, 1st Floor, Sector-B, Bahria Town, Mohlanwal, Lahore have decided that in order to raise funds for expansion of the Company's business activities and to convert the subordinated loan of Rs. 650 million injected by the Company's sponsor, Bahria Town (Private) Limited ("**BTPL**"), along with the markup accrued thereon, the ordinary paid up share capital of the Company shall be increased from Rs. 441,000,000 to Rs. 1,356,000,000 by issuance of further 91,500,000 ordinary shares to be offered as right shares at par value of Rs. '10/- per share in ratio of, 207 right shares for every 100 existing ordinary shares of Rs. 10 each.

In this respect, the share transfer books of the Company will be closed from November 21, 2018 to November 27, 2018 (both days inclusive) to determine the entitlements of right shares. Physical transfers/CDS Transaction IDs received at the Company's Share Registrar, M/s. Hameed Majeed Associates (Private) Limited, H.M. House, 7-Bank Square, Lahore, at the close of business on November 20, 2018 will be treated in time for the purpose of entitlement of right shares to the transferees.

Please find enclosed herewith the following information/documentation;

(i) Statement of purpose, benefits, use of funds, risk factors associated with issue and financial projections of the Company. (Annex-A)

(ii) Certified True Copy of Board resolutions.(Annex-B)

(iii) Draft copy of notice of right issue and book closure to the shareholders prior to publishing in newspaper in accordance with rule 5.6.4(b) of the PSX Rule Book. This will also suffice the requirement of Section 96 and 131 of the Securities Act, 2015. (Annex-C)

You may please inform the TRE Certificate Holders of the Pakistan Stock Exchange Limited accordingly

Yours Sincerely,

For and on behalf of Escorts Investment Bank Limited,

Ajwad

Ajwad Ali
Company Secretary

Head Office: Alfalah Building, 1st Floor, Sector B, Bahria Town Lahore ★
Escorts Investment Bank Ltd.

CC: **The Commissioner**
Company Law Division
Securities & Exchange Commission of Pakistan, Islamabad.

The Commissioner
Special Companies Division
Securities & Exchange Commission of Pakistan, Islamabad.

Chief Executive Officer
Central Depository Company of Pakistan, Karachi.

Annex – A

STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS, RISK FACTORS ASSOCIATED WITH ISSUE AND FINANCIAL PROJECTIONS OF THE COMPANY

Quantum of Issue and Issue Price:

91,500,000 ordinary shares shall be offered as right shares at par value of Rs. '10/- per share in ratio of 207 right shares for every 100 existing ordinary shares of Rs. 10 each.

Purpose of Rights Issue

The purpose of this rights issue is to provide strong equity base and to raise further funds to meet the expanding business needs of the Escorts Investment Bank Limited.

Benefits to the Company

- It will strengthen the Company's Financial Position.
- It will provide additional liquidity for business expansion.

Use of Funds

The funds generated through rights issue will be used to offer products in line with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Risks associated with the issue

The Right Issue is being announced at a price less than the current market price; hence there is minimal investment risk associated with the Rights issue. Furthermore, the Company's sponsor i.e. Bahria Town (Private) Limited has already provided a subordinated loan to the company of PKR 650 million which will be converted into equity for subscribing to its entitlement of right shares.

Normal risks associated with the business will remain, however, the Company is well positioned in the market to deal with. The sponsor and the management has a strong and well proven track record which will help to mitigate these risks.

Financial Projections

Description	FY 2019	FY 2020	FY 2021
Revenue	134,172,174	435,935,998	735,009,171
Profit after Tax	(80,838,238)	45,160,009	116,728,721
EPS	(0.60)	0.33	0.50

Disclaimer:

The information given above reflects bonafide current business perceptions of the Directors as to the future performance of the Company's business. Neither the Company nor the Directors accept any responsibility for conclusions drawn or investment decisions made by any person based on the above information.

Head Office: Alfalah Building, 1st Floor, Sector-B, Bahria Town, Mohlanwal, Lahore-Pakistan. Tel: (92-42) 35341845-6
Lahore Branch: Bahria Town, Corporate Office, Bahria Orchard, Lahore-Pakistan. Tel: (92-42) 35451300, 35451467
Karachi Branch: Bahria Town, Head Office, Bahria Town, Karachi-Pakistan. Tel: (92-21) 38651556, 38651557, Fax: 38651558

Annex- B

EXTRACT OF RESOLUTIONS PASSED AT THE MEETING OF BOARD OF DIRECTORS OF ESCORTS INVESTMENT BANK LIMITED ("COMPANY"), HELD ON OCTOBER 29, 2018 AT THE REGISTERED OFFICE OF THE COMPANY AT 11:45 A.M

RESOLVED that pursuant to requirements of provisions of Section 83 of the Companies Act 2017 in order to raise funds for expansion of the Company's business activities, the ordinary paid up share capital of the Company shall be increased from Rs. 441,000,000 to Rs. 1,356,000,000 by issuance of further 91,500,000 ordinary shares to be offered as right shares at par value of Rs. '10/- per share in ratio of, 207 right shares for every 100 existing ordinary shares of Rs. 10 each, which shall rank pari passu in all respect with the existing ordinary shares of the Company (the "Rights Issue").

FURTHER RESOLVED that these right shares shall be offered to the Company's existing ordinary shareholders in proportion to their shareholding (in line with Section 83 of the Companies Act 2017) against payment of value of shares to the Company as per right allotment letters to be issued. These shares shall rank pari passu in all respects with the existing ordinary shares of the company.

FURTHER RESOLVED that the subordinated loan of Rs. 650 million injected by the Company's sponsor, Bahria Town (Private) Limited ("**BTPL**"), along with the markup accrued thereon, be converted into equity of the Company through the afore-mentioned right issue, for which BTPL has provided its consent as communicated by BTPL to the Company vide its letter no. EIBL/01-2018 dated October 22, 2018. The aforementioned conversion is subject to requisite approval from SECP which shall be obtained by the Company.

FURTHER RESOLVED that purpose of right issue, benefits to the Company, use of funds, risks associated with the issue be and are hereby approved.

Purpose of Rights Issue

The purpose of this rights issue is to provide strong equity base and to raise further funds to meet the expanding business needs of the Escorts Investment Bank Limited.

Benefits to the Company

- It will strengthen the Company's Financial Position.
- It will provide additional liquidity for business expansion.

Use of Funds

The funds generated through rights issue will be used to offer products in line with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Risks associated with the issue

The Right Issue is being announced at a price less than the current market price; hence there is minimal investment risk associated with the Rights issue. Furthermore, the Company's sponsor i.e. Bahria Town (Private) Limited has already provided a subordinated loan to the company of PKR 650 million which will be converted into equity for subscribing to its entitlement of right shares.

Normal risks associated with the business will remain, however, the Company is well positioned in the market to deal with. The sponsor and the management has a strong and well proven track record which will help to mitigate these risks.

FURTHER RESOLVED that financial projections of the company for the next 3 years be and are hereby approved.

FURTHER RESOLVED that approval be and is hereby granted to close the share transfer books of the Company for determination of entitlement of right shares from November 21, 2018 to November 27, 2018 (both days inclusive).

FURTHER RESOLVED that the members are hereby allowed to renounce their right to subscribe any of the shares offered to them in favor of any other person.

FURTHER RESOLVED that the decision to allow the members to renounce their right to subscribe any of the shares offered to them in favor of any other person shall be deemed to be a decision under section 83 (1) (iii) of the Companies Act, 2017, if the said person decides to subscribe to such shares.

FURTHER RESOLVED that each of the Chief Executive Officer and Company Secretary be and are hereby singly and/or jointly authorized to take all necessary steps and actions in connection with the issuance of right shares and conversion of subordinated loan, including, without limitation, (i) announcing book closure dates along with publication of the same in newspaper in accordance with relevant regulatory requirements, (ii) preparing right issue plan, making any amendment thereon and obtaining approval of the same from Pakistan Stock Exchange Limited, (iii) preparing and issuing letters of rights and circulars under section 83(1) of the Companies Act, 2017 along with filing of related returns / necessary notices with the Companies Registration Officer, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange Limited, (iv) engaging and appointing consultants and advisors for assisting in the execution/implementation of the rights issue and conversion of subordinated loan, (v) as well as dealing with the Central Depository Company of Pakistan Limited regarding induction of the offers for right shares and the right shares in Central Depository System, and undertaking such other ancillary steps as may be necessary for the above purposes. .

FURTHER RESOLVED that each of the Chief Executive, Chief Operating Officer and Company Secretary be and are hereby singly and/or jointly authorized to appoint suitable banker to the issue to collect the amount of subscription towards right shares and to open an account with the banker to the issue so appointed.

FURTHER RESOLVED that Chief Executive Officer and Company Secretary be and are hereby authorized singly and /or jointly to appoint at least three potential underwriters, finalize terms and conditions and sign underwriting agreements and settle/ finalize fees, underwriting commission, take up commission and third party expenses and/or any other expenses relating to the right issue.

FURTHER RESOLVED that Chief Executive Officer and Company Secretary be and are hereby authorized, with any two acting jointly, to sign the physical share certificates in respect of the right issue.

FURTHER RESOLVED that after finalization of banker to the issue, (i) Chief Executive Officer, Chief Operating Officer (collectively comprising Group A) and; (ii) Chief Financial Officer and Company Secretary (collectively comprising Group B) be and are hereby authorized to operate the right issue subscription account of the Company and for transfer of proceeds from rights subscription account to the Company's account under the operating instructions with any one member from Group A acting jointly with any one member from Group B.

FURTHER RESOLVED that fractional entitlements (if any) will be consolidated in the name of the Chief Executive Officer (under trust) and sold on the stock exchange. The proceeds of such shares will be distributed to the members in accordance with their entitlements (in the manner prescribed under the applicable laws.)

FURTHER RESOLVED that the Chief Executive Officer be and is hereby authorized to allot un-subscribed portion of the right issue, if any, to any party including the underwriters and file returns as required by SECP / Stock Exchange / CDC along with auditors or any other authority.

Attested to be true copy

COMPANY SECRETARY
ESCORTS INVESTMENT BANK LIMITED

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Escorts Investment Bank

A PROJECT OF BAHRIA TOWN

Escorts Investment Bank Limited

Annex – C

ESCORTS INVESTMENT BANK LIMITED

DRAFT NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Escorts Investment Bank Limited (the "Company") in their meeting held on October 29, 2018 has decided to issue further capital by offering 207.48% ordinary right shares of PKR 10/- at par value in proportion of 207.48 ordinary right shares for every 100 ordinary shares held.

The share transfer books of the Company will remain closed from November 21, 2018 to November 27, 2018 (both days inclusive) No transfers will be accepted for registration during this period. Physical transfers/CDS Transaction IDs received at the Company's Share Registrar, M/s. Hameed Majeed Associates (Private) Limited, H.M. House, 7-Bank Square, Lahore, at the close of business on November 20, 2018, will be considered in time for entitlement of right shares.

October 29, 2018
Lahore.

Ajwad Ali
Company Secretary

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