Escorts Investment Bank

Escorts Investment Bank Limited

Ref: EIBL/CS/PSX/2025/2620

February 24, 2025

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

Subject: **Financial Results for the Half Year ended December 31, 2024 (Un-audited)**

Dear Sir,

We have to inform you that the Board of Directors of Escorts Investment Bank Limited in their meeting held on Monday, February 24, 2025, at 12:30 p.m. at its registered office located on Ground Floor, 26 Davis Road, Lahore, recommended the following: -

1)	**Cash Dividend**	:	**Nil**
2)	**Bonus Shares**	:	**Nil**
3)	**Right Shares**	:	**Nil**
4)	**Any Other Entitlement**	:	**Nil**
5)	**Any Other Price-Sensitive Information**	:	**Nil**

The Financial Results of the Company are attached.

The Half-Yearly Report of the Company for the period ended December 31, 2024, will be transmitted through PUCARS separately.

Yours truly,

Head Office: Ground Floor, 26 Davis Road Lahore ★ Escorts Investment Bank Ltd.

Jehan Zaib
Company Secretary

Cc: The Executive Director / HOD
Offsite-II Department
Supervision Division
Securities & Exchange Commission of Pakistan
63 – NIC Building, Jinnah Avenue
Blue Area, Islamabad.

CONDENSED INTERIM STATEMENT OF **PROFIT OR LOSS (UN-AUDITED)**
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

		Half Year Ended December 31		Quarter Ended December 31	
		2024	2023	2024	2023
	Note	Rupees	Rupees	Rupees	Rupees
Income					
Profit on financing		44,533,714	34,006,250	23,399,793	17,963,623
Return on investments		2,505,166	14,713,745	1,132,726	6,410,909
Income from fee and commission		5,371,583	4,357,111	2,554,388	2,586,248
Profit on bank deposits		6,174,466	7,405,498	1,867,067	4,147,444
Other income		2,137,925	15,259,635	995,743	7,312,599
		60,722,854	75,742,239	29,949,717	38,420,823
Expenses					
Administrative expenses	16	75,695,927	74,947,397	38,245,663	37,292,673
Finance cost		2,866,467	3,467,789	1,304,054	1,947,423
		78,562,394	78,415,186	39,549,717	39,240,096
Operating profit/(loss) before provisions and taxation		(17,839,540)	(2,672,947)	(9,600,000)	(819,273)
Other operating expenses	17	(2,495,513)	(2,589,774)	(1,681,835)	(591,932)
Profit / (Loss) before taxation and tax levies		(20,335,053)	(5,262,721)	(11,281,835)	(1,411,205)
Taxation and tax levies - net		(650,190)	4,335,146	(336,874)	1,288,651
Net profit/(loss) for the period		(20,985,243)	(927,575)	(11,618,709)	(122,554)
Earnings/(loss) per share - basic and diluted		(0.15)	(0.01)	(0.09)	(0.01)

The annexed notes from 1 to 23 form an integral part of these financial statements.

Cheif Executive Officer	Chief Financial Officer	Chairman

CONDENSED INTERIM STATEMENT OF **FINANCIAL POSITION**
AS AT DECEMBER 31, 2024

	Note	(Un-Audited) 31-Dec-24 Rupees	(Audited) 30-Jun-24 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	135,641,326	144,410,534
Intangible assets	6	5,272,970	5,406,270
Long term investments		24,546,125	24,546,125
Long term finances	7	59,852,558	36,256,539
Long term deposits		8,505,674	8,476,274
Deferred tax asset - net	8	122,597,618	122,597,618
		356,416,271	341,693,360
CURRENT ASSETS			
Current portion of non-current assets		53,051,996	39,012,851
Short term investments	9	11,705,390	8,660,157
Short term finances	10	142,469,534	116,866,350
Short term advances		2,629,226	2,547,539
Prepayments		4,507,189	2,673,314
Interest receivable		21,121,296	14,115,324
Other receivables		7,463,654	7,173,911
Tax refunds due from the government		70,033,331	68,344,410
Cash and bank balances	11	38,219,588	124,969,042
		351,201,204	384,362,898
TOTAL ASSETS		707,617,475	726,056,258
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
300,000,000 (2024: 300,000,000) ordinary shares of Rs. 10 each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital		1,356,000,000	1,356,000,000
Capital reserves		158,042,871	158,042,871
Revenue reserve		(980,554,384)	(959,992,575)
Revaluation surplus on property and equipment		16,513,884	16,937,318
		550,002,371	570,987,614
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	12	31,398,007	35,298,792
		31,398,007	35,298,792
CURRENT LIABILITIES			
Current portion of non-current liabilities	13	9,772,863	9,338,951
Trade and other payables	14	112,366,886	107,003,743
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation and tax levises		1,691,694	1,041,504
		126,217,097	119,769,852
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		707,617,475	726,056,258

The annexed notes from 1 to 23 form an integral part of these financial statements.

Cheif Executive Officer | Chief Financial Officer | Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half Year Ended December 31, 2024 Rupees	Half Year Ended December 31, 2023 Rupees	Quarter Ended December 31 2024 Rupees	Quarter Ended December 31 2023 Rupees
Net profit/(loss) for the period		(20,985,243)	(927,575)	(11,618,709)	(122,554)
Other comprehensive income / (loss):					
Items that will not be reclassified to statement of profit or loss		-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss					
(Loss) / profit on remeasurement of long term investments - net of tax		-	(694,525)	-	(694,525)
Other comprehensive income for the period - net of tax		-	(694,525)	-	(694,525)
Total Comprehensive income / (loss) for the period		(20,985,243)	(1,622,100)	(11,618,709)	(817,079)

The annexed notes from 1 to 23 form an integral part of these financial statements.

Cheif Executive Officer

Chief Financial Officer

Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

Particulars	Issued, Subscribed and Paid up Capital	Capital Reserves		Revenue Reserve	Revaluation Surplus on Property and Equipment	Total
		Statutory Reserve	(Deficit) / Gain on Revaluation of Investments	Accumulated Loss		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023 (Audited)	1,356,000,000	158,496,746	87,500	(937,786,103)	17,828,754	594,626,897
Total comprehensive Income / (loss) for the period						
Net Income / (loss) for the period	-	-	(694,525)	(927,575)	-	(1,622,100)
Other comprehensive Income / (loss) for the period	-	-	-	-	-	-
Total comprehensive Income / (loss) for the period	-	-	(694,525)	(927,575)	-	(1,622,100)
Transfer from surplus on revaluation of property and equipment on account of :						
Incremental depreciation on revalued asset for the period - net of	-	-	-	445,718	(445,718)	-
Balance as at December 31, 2023 (Un-Audited)	1,356,000,000	158,496,746	(607,025)	(938,267,960)	17,383,036	593,004,797
Balance as at June 30, 2024 (Audited)	1,356,000,000	158,496,746	(453,875)	(959,992,575)	16,937,318	570,987,614
Total comprehensive Income / (loss) for the period						
Net profit / (loss) for the period	-	-	-	(20,985,243)	-	(20,985,243)
Other comprehensiveincome/ (loss) for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	(20,985,243)	-	(20,985,243)
Transfer from surplus on revaluation of property and equipment on account of;						
Incremental depreciation on revalued asset for the period - net of	-	-	-	423,434	(423,434)	-
Balance as at December 31, 2024 (Un-Audited)	1,356,000,000	158,496,746	(453,875)	(980,554,384)	16,513,884	550,002,371

The annexed notes from 1 to 23 form an integral part of these financial statements.

Cheif Executive Officer

Chief Financial Officer

Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half Year Ended December 31 2024 Rupees (Un-Audited)	2023 Rupees (Un-Audited)
Cash Flow From Operating Activities			
Loss before taxation and levies		(20,335,053)	(5,262,721)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	5.1	5,049,681	5,496,266
- Depreciation on right of use assets	5.2	4,232,875	4,402,171
- Amortization on intangible assets	6.1	133,300	199,938
- Lease adjustments		-	6,427,796
- Interest on lease liabilities against right of use assets		2,099,027	2,623,681
- Finance cost		767,440	844,108
- (Loss) on sale of fixed assets		(32)	-
- Gain on short term investments		-	(694,525)
- Provision against doubtfull finances		2,495,513	2,589,774
		14,777,804	21,889,209
		(5,557,249)	16,626,488
Decrease / (increase) in operating assets			
- Finances - net		(65,733,861)	28,649,962
- Investments		-	694,525
- Loans and advances		(81,687)	2,289,259
- Interest receivable		(7,005,972)	141,685
- Other receivables		(289,743)	(480,820)
- Long term deposits		(29,400)	(54,000)
- Prepayments		(1,833,875)	(356,691)
Increase / (decrease) in operating liabilities			
- Trade and other payables		5,363,143	(6,603,050)
		(69,611,395)	24,280,870
Net cash (used) / generated from operations		(75,168,644)	40,907,358
Finance cost paid		(767,440)	(844,108)
Taxation and levies - net		(1,688,921)	(5,242,083)
Net cash (used) /generated from operating activities		(77,625,005)	34,821,167
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(513,316)	(3,665,092)
Capital expenditure on intangible assets		-	(5,705,698)
Short term investments - net		(3,045,233)	(10,035,092)
Net cash (Used) / generated from investing activities		(3,558,549)	(19,405,882)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities	12.1	(5,565,900)	(19,208,633)
Net cash (used) in financing activities		(5,565,900)	(19,208,633)
Net (Decrease) / Increase in Cash and Cash Equivalents During the Period		(86,749,454)	(3,793,348)
Cash and cash equivalents at the beginning of the period		124,969,042	46,944,371
Cash and Cash Equivalents at the End of the Period		38,219,588	43,151,023

The annexed notes from 1 to 23 form an integral part of these financial statements.

Cheif Executive Officer | Chief Financial Officer | Chairman

DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited ("**Company**") is pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the period ended on 31 December 2024 and Auditors Review report thereon.

ECONOMY REVIEW

The global economy in 2024 demonstrated mixed trends, characterized by a combination of recovery and challenges. Advanced economies experienced moderate growth, while emerging markets exhibited resilience amid headwinds.

Inflation, while moderated compared to 2023, remained a critical concern, particularly in developing nations where food and energy prices continued to strain household budgets. On the other hand, the adoption of green technologies and investments in renewable energy gained momentum, paving the way for a more sustainable economic future.

The domestic economy performed well as is indicated by the KSE 100 Index, it has delivered an impressive gain in local currency terms, the highest percentage return since 2002 and positioned as the second best-performing stock market globally. The robust economic performance was driven by improving macroeconomic conditions under the International Monetary Fund (IMF) program. These measures have helped in curtailing inflation.

The Monetary Policy Committee (MPC) has significantly reduced the policy rate from 22% to 13% from December 2023 to December 2024. The policy rate is expected to go further down.

BUSINESS AND OPERATION REVIEW

During the period under review, the Company has increased its Secured and Unsecure lending both. As at 31st December 2024, House Finance, Microfinance and Gold Finance portfolios stood at PKR 47.30 M, PKR184.08 M and PKR 54.49 M respectively showing an increase of 6.5%, 24.19% & 730% respectively. The Company posted loss before tax of PKR 20.34 M vs PKR 5.26 M for the corresponding period last year owing to a dip in revenues. Revenues during the period have dropped as the policy rate has fallen significantly, though income from our core business has increased from PKR 34.01 M to PKR 44.53 M which shows an increase of 30.96% however, fee and commission income has increased by 23.28%. Although, from the core business activities we have generated more revenues but for the period under review the return on investments has been significantly reduced. The other income part of which was one off last year due to relocation of branches decreased by PKR 13.12 M which has an overall impact on decreased revenues. However, as previously mentioned in our reports with the injection of equity and increased financing we will not only be able to cover the shortfall but will start making profits in the times to come with increased lending in the diverse array of product suite which we have now.

The financial results are as under:

Description	Half Year Ended	
	31 Dec 2024	31 Dec 2023
Revenue	60,722,815	75,742,239
Loss before provision & taxation	(17,839,540)	(2,672,947)
Provision – net	(2,495,513)	(2,589,774)
Taxation and tax levies - net	(650,190)	4,335,146
Loss after taxation	**(20,985,243)**	**(927,575)**
Earning per share	(0.15)	(0.01)

RENEWAL OF IFS LICENSE

The Company's IFS license is in renewal process and it has been applied for renewal with the SECP.

ACKNOWLEDGEMENT

The Directors wish to thank The Securities and Exchange Commission of Pakistan for their valued support, assistance and guidance. The Board would like to take this opportunity to express their admiration to the employees and management of the Company for their commitment, hard work and cooperation throughout the period. The Company recognizes and records its gratitude for all their efforts.

For and on behalf of the Board,

Basit Rehman Malik
CEO & Director

Syed Tahir Nawazish
Chairman