

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

**Condensed Interim Financial Statements
For Nine Month Ended March 31, 2021**

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	(Un-audited) March 31, 2021 (Rupees in '000)	(Audited) June 30, 2020
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,033,026	1,054,475
Intangible assets		640	855
Investment property	7	3,845,837	3,845,837
Long term investments	8	400,073	347,696
Long term security deposits and advances		14,704	14,704
Deferred tax		79,423	80,179
		<u>5,373,703</u>	<u>5,343,746</u>
CURRENT ASSETS			
Rent receivables		276	2,140
Advances, deposits and prepayments	9	6,032	6,086
Other receivables	10	38,383	45,207
Tax refund due from government - net	11	23,310	35,842
Short term investment	12	432,508	381,578
Cash and bank balances	13	58,008	62,855
		<u>558,517</u>	<u>533,708</u>
TOTAL ASSETS		<u><u>5,932,220</u></u>	<u><u>5,877,454</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital	14	3,671,870	3,671,870
Surplus on revaluation of property and equipment		286,756	291,373
Other reserves	15	1,826,029	1,710,473
		<u>5,784,655</u>	<u>5,673,716</u>
NON-CURRENT LIABILITIES			
Advances, deposits and other receipts		21,901	19,043
Deferred liabilities		14,913	15,793
		<u>36,814</u>	<u>34,836</u>
CURRENT LIABILITIES			
Accrued and other payables	16	51,218	57,096
Advances and deposits	17	49,005	103,433
Unclaimed dividend		10,528	8,373
		<u>110,751</u>	<u>168,902</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,932,220</u></u>	<u><u>5,877,454</u></u>
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Note	Nine months ended March 31,		Three months ended March 31,	
		2021	2020	2021	2020
(Rupees in '000)					
Income					
Operating income	19	210,068	203,110	72,077	66,712
Administrative expenses					
Depreciation / amortization		(28,177)	(38,944)	(9,411)	(7,853)
Other administrative expenses	20	(25,970)	(25,125)	(8,760)	(8,717)
		(54,147)	(64,069)	(18,171)	(16,570)
Other operating income	21	65,775	67,403	24,383	21,027
Financial charges		(45)	(62)	(9)	(16)
Operating profit		221,651	206,382	78,280	71,153
Share of profits from associated companies		49,175	22,502	19,393	6,591
Profit before taxation		270,826	228,884	97,673	77,744
Taxation		(49,505)	(47,391)	(18,301)	(15,012)
Profit after taxation		221,321	181,493	79,372	62,732
Earning per share - basic and diluted	22	0.60	0.49	0.22	0.17

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Note	Nine months ended March 31,		Three months ended March 31,	
		2021	2020	2021	2020
(Rupees in '000)					
Profit after taxation		221,321	181,493	79,372	62,732
Other comprehensive income					
Items that may be reclassified subsequently to statement of profit or loss:					
Surplus on remeasurement of FVOCI investments	8.3	10,790	8,449	6,395	4,630
Total comprehensive income for the period		232,111	189,942	85,767	67,362

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

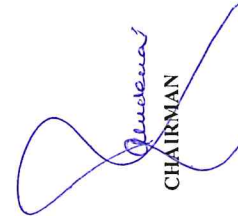
ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Capital reserve			Revenue reserves				Total
	Issued, subscribed and paid up capital	Revaluation surplus on property and equipment	Reserve for replacement of fixed assets(15.1)	Total capital reserves	Surplus on remeasurement of FVTOCI investments to fair value	Unrealized surplus on remeasurement of associate's investments	Unappropriated profit	

(Rupees in '000)

Balance as at July 01, 2019 (audited)	3,671,870	205,862	62,118	267,980	67,788	425	1,313,415	1,381,628	5,321,478
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	181,493	181,493	181,493
Amount collected for asset replacement reserve	-	-	31,416	31,416	-	-	(31,416)	(31,416)	-
Amount utilized from fixed assets replacement reserve	-	-	(59,631)	(59,631)	-	-	59,631	59,631	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(2,078)	-	(2,078)	-	-	2,078	2,078	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	8,449	-	-	8,449	8,449
Transaction with owners									
Final dividend for the year ended June 30, 2019 at Rs. 0.24 per share	-	-	-	-	-	-	(88,156)	(88,156)	(88,156)
Balance as at March 31, 2020 (unaudited)	3,671,870	203,784	33,903	237,687	76,237	425	1,437,045	1,513,707	5,423,264
Balance as at July 01, 2020 (audited)	3,671,870	291,373	15,157	306,530	80,708	426	1,614,182	1,695,316	5,673,716
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	221,321	221,321	221,321
Amount collected for asset replacement reserve	-	-	35,576	35,576	-	-	(35,576)	(35,576)	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(4,617)	-	(4,617)	-	-	4,617	4,617	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	10,790	-	-	10,790	10,790
Transaction with owners									
Final dividend for the year ended June 30, 2020 at Rs. 0.33 per share	-	-	-	-	-	-	(121,172)	(121,172)	(121,172)
Balance as at March 31, 2021 (unaudited)	3,671,870	286,756	50,733	337,489	91,498	426	1,683,372	1,775,296	5,784,655

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	23	171,228	126,904
Gratuity paid		(2,840)	(1,949)
Compensated absences paid		(827)	(1,241)
Income tax paid		(36,217)	(27,788)
Net cash generated from operating activities		<u>131,344</u>	<u>95,926</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(6,513)	(79,279)
Proceeds from sale of operating fixed assets		412	2,276
Interest received		27,634	30,780
Investment in subsidiary company		(9,969)	-
Investment (made)/encashed during the period - net		(54,225)	26,666
Dividend received		22,674	4,794
Net cash (invested in)/generated from investing activities		<u>(19,987)</u>	<u>(14,763)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Advances, deposits and other receipts		2,858	(602)
Dividend paid		(119,017)	(86,759)
Financial charges paid		(45)	(62)
Net cash used in financing activities		<u>(116,204)</u>	<u>(87,423)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(4,847)</u>	<u>(6,260)</u>
Cash and cash equivalents at beginning of the period		<u>62,855</u>	<u>41,422</u>
Cash and cash equivalents at end of the period		<u><u>58,008</u></u>	<u><u>35,162</u></u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

1 CORPORATE AND GENERAL INFORMATION

- 1.1** ISE Towers REIT Management Company Limited ("the Company") was incorporated in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017 on May 30, 2017, as a company limited by guarantee for the purpose of carrying out business of stock exchange under the name Islamabad Stock Exchange (ISE). On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act), was converted into a public company limited by shares on issuance of certificate of re-registration by the Registrar of Companies.
- 1.2** ISE entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE) with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Accordingly the ISE proposed a scheme of integration in its AGM on October 27, 2015 to shift the stock exchange related business, the core business of the ISE, to PSX and change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP). Accordingly, the agreed assets / liabilities of stock exchange business transferred to PSX with effect from January 11, 2016.
- 1.3** SECP has approved the scheme of integration under Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 through its order number 01/2016 dated January 11, 2016. As a consequence of this approval of integration, the name and scope of the ISE has been changed. The new name of the Company is "ISE Towers REIT Management Company Limited".
- 1.4** On January 11, 2016, ISE changed its name and scope of business and got converted from Stock Exchange to a REIT Management Company under the repealed Companies Ordinance, 1984, as a consequence of Securities and Exchange Commission of Pakistan's approval of scheme of integration under the Act. The Company licensed as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 by Securities and Exchange Commission of Pakistan to form and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2015.
- 1.5** The principal activities of the Company is to launch and manage Real Estate Investment Trust (REIT) under REIT Regulations, 2015.

The geographical location and address of the Company's business unit is as under:

- The registered business unit of the Company is situated in ISE Tower, 55-B, Jinnah Avenue, Islamabad.

- 1.6** The company has a subsidiary in the name of "Digital Custodian Company Limited" formerly MCB Financial Services Limited
- 1.7** These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the nine months ended March 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Accounting Standard - 34: "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Wherever the provisions and directives issued under the Companies Act, 2017 differ with the requirements of IAS34, the provisions and directives issued under the Companies Act, 2017 have been followed.

3 ACCOUNTING POLICIES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2020.

These interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2020 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the nine months ended March 31, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2020. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of March 31, 2021.

4 Functional and presentation currency

These interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

5 KEY JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2020.

The provision for taxation for the nine months ended March 31, 2021 has been made using the effective tax rate applicable to expected total annual earnings.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
6	PROPERTY AND EQUIPMENT		
	Operating assets	6.1 1,031,108	1,050,604
	Capital work in progress	6.2 1,918	3,871
		<u>1,033,026</u>	<u>1,054,475</u>

OPERATING ASSETS

Description	Leasehold land	Building on leasehold land	Electrical equipment	HVAC equipment	Plumbing installations	Elevators	Security equipment	IT equipment	Security systems	Furniture and fixture	Office equipment	Vehicles	Computers & accessories	Total
(Rupees in '000)														
Net carrying value basis														
Period ended March 31, 2021														
Opening net book value (NBV)	595,168	314,579	2,909	3,497	-	121,637	3,470	72	872	2,970	1,651	3,092	687	1,050,604
Additions (at cost)	-	-	2,431	2,103	-	-	690	67	2,035	749	220	-	-	8,295
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	-	-	709	-	709
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	(709)	-	(709)
Depreciation charge	(5,650)	(7,992)	(653)	(623)	-	(9,781)	(798)	(27)	(850)	(416)	(193)	(582)	(226)	(27,791)
Net book value	589,518	306,587	4,687	4,977	-	111,856	3,362	112	2,057	3,303	1,678	2,510	461	1,031,108
Gross carrying value basis														
Period ended March 31, 2021														
Cost/revalued amount	595,168	314,579	70,006	156,685	5,521	130,464	10,698	12,100	6,493	7,459	3,294	5,297	3,684	1,321,448
Accumulated depreciation	(5,650)	(7,992)	(65,319)	(151,708)	(5,521)	(18,608)	(7,336)	(11,988)	(4,436)	(4,156)	(1,616)	(2,787)	(3,223)	(290,340)
Net book value	589,518	306,587	4,687	4,977	-	111,856	3,362	112	2,057	3,303	1,678	2,510	461	1,031,108
Net carrying value basis														
Period ended June 30, 2020														
Opening net book value (NBV)	532,520	296,206	7,911	15,720	430	38,884	2,686	48	510	3,352	1,456	107	246	900,076
Additions (at cost)	-	-	518	-	-	-	1,276	42	354	233	-	646	711	3,780
Transfers from CWIP	-	-	-	-	-	92,002	465	-	484	29	461	3,809	-	97,250
Disposals:														
Cost	-	-	-	-	-	(13,645)	-	-	-	-	-	(647)	-	(14,292)
Accumulated depreciation	-	-	-	-	-	13,513	-	-	-	-	-	(647)	-	13,513
Revaluation adjustment for the year	-	-	-	-	-	(132)	-	-	-	-	-	-	-	(779)
Depreciation charge	(6,656)	(9,774)	(5,520)	(12,223)	(430)	(9,117)	(957)	(18)	(476)	(644)	(266)	(823)	(270)	(47,174)
Net book value	595,168	314,579	2,909	3,497	-	121,637	3,470	72	872	2,970	1,651	3,092	687	1,050,604
Gross carrying value basis														
Period ended June 30, 2020														
Cost/revalued amount	551,168	335,386	67,575	154,582	5,521	130,464	10,008	12,033	4,458	6,710	3,074	4,588	3,684	1,289,251
Revaluation adjustment for the year	69,304	28,147	-	-	-	-	-	-	-	-	-	-	-	97,451
Accumulated depreciation	(25,304)	(48,954)	(64,666)	(151,085)	(5,521)	(8,827)	(6,538)	(11,961)	(3,586)	(3,740)	(1,423)	(1,496)	(2,997)	(336,098)
Net book value	595,168	314,579	2,909	3,497	-	121,637	3,470	72	872	2,970	1,651	3,092	687	1,050,604
Depreciation rate per annum	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	33%

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
6.2 Capital work in progress			
Electrical equipment		-	1,694
HVAC		-	1,262
Security equipment		1,918	-
Security systems		-	915
		<u>1,918</u>	<u>3,871</u>

7 INVESTMENT PROPERTY

This represents office spaces in ISE Towers held to earn rentals and for capital appreciation. The carrying value of investment property is the fair value of the property based on the valuation carried by approved independent valuer Asif Associates (Private) Limited on June 30, 2020. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition. There has been no significant change in the valuation during the period.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
8 LONG TERM INVESTMENTS			
Long term investments-subsiary	8.1	9,969	-
Long term investments-under equity method	8.2	246,687	215,069
Long term investments-FVTOCI	8.3	143,417	132,627
		<u>400,073</u>	<u>347,696</u>
8.1 Investments in subsidiary			
Digital Custodian Company Limited (DCCL)	8.1.1	9,969	-
		<u>9,969</u>	<u>-</u>

8.1.1 During the period, the company has acquired 10% of shares of DCCL as of November 20, 2020 based on NAV of DCCL as of October 31, 2020. By virtue of majority directors on Board of DCCL as per Co-Purchase Agreement between DCCL and co-purchaser Info Tech, the investment has been categorized as investment in subsidiary.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
		(Rupees in '000)	
8.2 Long term investments-under equity method			
National Clearing Company of Pakistan Limited (NCCPL)		235,513	204,487
Pakistan Mercantile Exchange Limited (PMEX)	8.2.1	11,174	10,582
		<u>246,687</u>	<u>215,069</u>

8.2.1 The balances of long term investments-under equity method in PMEX have been presented based on accounts for the half year ended December 31, 2020 and will be updated upon receipt of accounts for the nine month ended March 31, 2021.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
8.3	Long term investments- FVTOCI		
	Central Depository Company of Pakistan Limited	136,022	126,529
	VIS Credit Rating Company Limited (VIS)	7,395	6,098
		<u>143,417</u>	<u>132,627</u>
8.3.1	Central Depository Company of Pakistan Limited (CDCPL)		
	Investment - at cost	47,163	47,163
	Fair value adjustment	88,859	79,366
		<u>136,022</u>	<u>126,529</u>
8.3.2	VIS Credit Rating Company Limited (VIS)		
	Investment - at cost	4,756	4,756
	Fair value adjustment	2,639	1,342
		<u>7,395</u>	<u>6,098</u>
8.3.3	The balances of long term investments in CDCPL have been presented based on accounts for the half year ended December 31, 2020 and will be updated upon receipt of accounts for the nine month ended March 31, 2021.		

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
9	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Considered Good		
	Advances to staff	218	454
	Advances to contractors	4,822	5,097
	Deposits and prepayments	992	535
	Considered doubtful based on expected credit loss (ECL)	225	225
		<u>6,257</u>	<u>6,311</u>
	Allowance for expected credit loss (ECL)	(225)	(225)
		<u>6,032</u>	<u>6,086</u>
10	OTHER RECEIVABLES		
	Considered good		
	Receivable from building occupants	34,884	41,776
	Due from sub lessee	500	500
	Others	2,999	2,931
		<u>38,383</u>	<u>45,207</u>
	Considered doubtful based on expected credit loss (ECL)	1,273	1,273
		<u>39,656</u>	<u>46,480</u>
	Allowance for Expected Credit Losses	(1,273)	(1,273)
		<u>38,383</u>	<u>45,207</u>
10.1	This represents receivables from occupants of building on account of utilities and other maintenance services.		
10.2	This represents receivables from a party to whom office space in ISE Towers have been sold/sub leased.		

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
(Rupees in '000)			
11	TAX REFUND DUE FROM GOVERNMENT - NET		
	Income tax - opening	35,842	54,759
	Advance - Income tax paid during the period/year	36,217	47,862
		<u>72,059</u>	<u>102,621</u>
	Provision for taxation for the period /year	(48,749)	(66,779)
	Income tax - closing	<u>23,310</u>	<u>35,842</u>

12 SHORT TERM INVESTMENT

12.1 This represents investment in treasury bills (T-Bills) having maturity between April 08, 2021 to June 17, 2021 and carries yield rate ranging from 7.13% to 7.42% per annum (June 30, 2020: 8% to 10%).

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
(Rupees in '000)			
13	CASH AND BANK BALANCES		
	Cash at banks		
	Savings account		
	- Local currency	57,574	62,454
	- Foreign currency (USD)	365	381
		<u>57,939</u>	<u>62,835</u>
	Cash in hand	69	20
		<u>58,008</u>	<u>62,855</u>

13.1 Balances in PLS accounts carry effective interest rate of 5.5% (June 30, 2020: 5.5%) per annum.

14 SHARE CAPITAL

14.1 Authorized share capital

Authorized share capital represents 700,000,000 (June 30, 2020: 700,000,000) ordinary shares of Rs. 10 each amounting to Rs. 7,000,000,000 (June 30, 2020: Rs. 7,000,000,000).

14.2 Issued, subscribed and paid up capital:

Number of ordinary shares of Rs.10/-each		Ordinary shares issued for consideration other than cash.	(Un-audited)	(Audited)
31-Mar-21	30-Jun-20		March 31, 2021	June 30, 2020
(Rupees in '000)				
<u>367,186,963</u>	<u>367,186,963</u>		<u>3,671,870</u>	<u>3,671,870</u>

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
15	OTHER RESERVES		
	Reserve for replacement of fixed assets	50,733	15,157
	Surplus on remeasurement of fair value through OCI	91,498	80,708
	Unrealized surplus on remeasurement of investments	426	426
	Accumulated profit	1,683,372	1,614,182
		<u>1,826,029</u>	<u>1,710,473</u>

15.1 Reserve for replacement of fixed assets

This represents the reserve created for replacement of fixed assets or any part thereof, relating to ISE Towers. Contribution to the reserve is made at a fixed rate by the tenants/occupants. The Company also set aside/contribute equivalent amount to this reserve from its accumulated profit.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees in '000)	
16	ACCRUED AND OTHER PAYABLES		
	Proceeds from sale of assets of members in default	15,551	12,526
	Payable to sub lessees	11,375	11,375
	Accrued liabilities	15,136	22,502
	Corporate social responsibility	5,369	4,619
	Other payables	3,787	6,074
		<u>51,218</u>	<u>57,096</u>

17 ADVANCES AND DEPOSITS

	Advance rent	37,355	91,613
	Deposit from members against exposure and clearing house	1,070	1,070
	Retention money & security deposits	10,580	10,750
		<u>49,005</u>	<u>103,433</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

a) Legal case against the Company:

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2020.

b) Legal cases against the Company while operating as Stock Exchange:

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2020.

c) Tax contingencies

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2020.

18.2 Commitments

There has been no significant change in the status of commitments disclosed as at June 30, 2020.

Note	Nine months ended		Three months ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	(Rupees in '000)			

19 OPERATING INCOME

Rental income from investment property	204,075	197,228	70,041	64,808
Other rentals	5,993	5,882	2,036	1,904
	<u>210,068</u>	<u>203,110</u>	<u>72,077</u>	<u>66,712</u>

20 OTHER ADMINISTRATIVE EXPENSES

Salaries and benefits	9,089	9,279	3,028	3,120
Directors' remuneration	1,800	1,950	950	500
Travelling and lodging	176	203	71	39
Postage, telephone and fax	364	436	117	122
Printing and stationery	603	661	58	99
News papers, books and periodicals	36	33	14	9
Publicity and advertisements	44	276	-	146
Rent, rates and taxes	1,523	2,949	541	977
Legal and professional charges	20.1	4,233	1,249	704
Auditors' remuneration	197	204	-	-
Contract services	511	353	169	214
Repairs and maintenance	299	206	102	86
Meetings and entertainment	666	857	237	252
MIS / technology charges	423	386	251	126
Electricity, gas and water	2,875	3,150	1,350	1,738
Insurance	1,901	1,997	673	625
Corporate social responsibility	750	750	250	250
Service charges	238	-	238	-
Miscellaneous	242	186	7	34
	<u>25,970</u>	<u>25,125</u>	<u>8,760</u>	<u>8,717</u>

20.1 This includes cost of Rs. 2.1 million related to acquisition of a subsidiary company.

21 OTHER OPERATING INCOME

Income from financial assets:

Profit on bank deposits & investment	24,355	32,123	8,058	10,236
Exchange (loss)/ gain	(16)	20	-	26
Dividend received	5,113	4,794	250	100

Income from non financial assets:

Gain on disposal of operating fixed assets	412	1,497	412	500
Room transfer fee	3,721	1,252	2,371	623
Income from branding	1,013	992	241	331
Asset service charges from tenants/occupants	17,788	15,707	7,147	5,237
Others	21.1	13,389	11,018	5,904
	<u>65,775</u>	<u>67,403</u>	<u>24,383</u>	<u>21,027</u>

21.1 This includes car parking fee amounting to Rs. 6.831 million and split unit charges amounting Rs. 2.635 million.

22 EARNING PER SHARE -BASIC AND DILUTED

Profit after tax	221,321,000	181,493,000	79,372,000	62,732,000
Weighted average number of ordinary shares (Number)	367,186,963	367,186,963	367,186,963	367,186,963
Basic and diluted earning per share (Rupees)	<u>0.60</u>	<u>0.49</u>	<u>0.22</u>	<u>0.17</u>

	Note	(Un-audited) March 31, 2021 (Rupees in '000)	(Un-audited) March 31, 2020
23 CASH GENERATED FROM OPERATIONS			
Profit before taxation		270,826	228,884
<i>Adjustment for non-cash charges and other items:</i>			
Depreciation/amortization		28,177	38,944
Profit on bank deposits & investment		(24,355)	(32,123)
Exchange loss/(gain)		16	(20)
Dividend income		(5,113)	(4,794)
Gain on sale of operating assets		(412)	(1,497)
Share of profits from associated companies		(49,175)	(22,502)
Provision for gratuity		2,277	2,183
Provision for compensated absences		510	1,114
Financial charges		45	62
Working capital changes	23.1	(51,568)	(83,347)
		<u>171,228</u>	<u>126,904</u>
23.1 Changes in working capital			
Decrease / (increase) in current assets			
Rent receivables		1,864	670
Advances, deposits and prepayments including long term advance		54	(1,033)
Other receivables		6,820	267
Increase / (decrease) in current liabilities			
Accrued and other payables		(5,878)	3,577
Advances and deposits		(54,428)	(86,828)
		<u>(51,568)</u>	<u>(83,347)</u>

24 RELATED PARTY TRANSACTIONS

Related parties include associated companies, directors and key management personnel. Investments in and balances with associated companies and other related parties are disclosed in the relevant notes to these financial statements. Transactions with related parties are as follows:

	Note	(Un-audited) March 31, 2021 (Rupees in '000)	(Un-audited) March 31, 2020
Transactions with associates			
Associate companies (related parties by virtue of common directorship)			
National Clearing Company of Pakistan Limited			
Utility charges		2,178	2,170
Amount received against utility charges		2,160	1,967
Dividend Received		17,561	-
Pakistan Mercantile Exchange Limited (PMEX)			
Utility charges		257	266
Amount received against utility charges		250	240
Digital Custodian Company Limited (DCCL)			
Expenses on behalf of DCCL		33	-
Transactions with directors			
Utility charges		2,076	2,125
Amount received against utility charges		2,003	1,923

24.1 Remuneration of chief executive officer, executives and directors

	March 31,		March 31,		March 31,		March 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
	Directors		Chief Executive Officer		Executives		Total	
(Rupees in '000)								
Managerial remuneration	-	-	2,957	2,772	1,952	1,661	4,909	4,433
Gratuity paid	-	-	-	300	-	1,134	-	1,434
Meeting fees	1,800	1,950	-	-	-	-	1,800	1,950
	<u>1,800</u>	<u>1,950</u>	<u>2,957</u>	<u>3,072</u>	<u>1,952</u>	<u>2,795</u>	<u>6,709</u>	<u>7,817</u>
Number of persons	10	10	1	1	1	2	12	13

25 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair values of all the financial assets and liabilities at the reporting date approximate to their carrying value.

Transfers during the period

During the nine month period ended March 31, 2021, there were no transfers into or out of Level 3 fair value measurements.

As at March 31, 2021 and June 30, 2020 the Company held financial instruments carried at fair value which comprising long term investment - FVTOCI. Moreover, Investment property is measured at fair value.

25.1 Investments of the Company carried at fair value are categorized as follows:

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Assets				
Financial assets at fair value through Other comprehensive income	-	-	143,417	143,417
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Financial assets at fair value through Other comprehensive income	-	-	132,627	132,627

- 25.2 The investment property was valued on June 30, 2020 carried out by external independent value M/s Asif Associates (Private) Limited.

As at March 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Assets			
Investment in property carried at fair value	-	-	3,845,837
			3,845,837

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Investment in property carried at fair value	-	-	3,845,837
			3,845,837

25.3 Valuation techniques used to derive level 3 fair values - Investment in property

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Cost of construction
- Quality of maintenance
- Physical condition
- Market price analysis

A reconciliation from opening balances to closing balances of fair value measurements categorized in level 3 is provided below:

Note	(Un-audited)	(Audited)
	March 31, 2021	June 30, 2020
	(Rupees in '000)	
Opening balance (level 3 recurring fair values)	3,845,837	3,743,586
Fair value gain raised during the period/year	-	102,251
Closing balance (level 3 recurring fair values)	3,845,837	3,845,837

There were no transfers between levels 2 and 3 for recurring fair value measurements during the period.

The Company has revalued its leasehold land, buildings on June 30, 2020 by independent valuer M/s Asif Associates (Private) Limited on the basis of market value. The fair value of free hold land and buildings is a level 3 recurring fair value measurement.

26 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation.

27 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 29, 2021.

28 GENERAL

Figures have been rounded off to the nearest thousand.


CHAIRMAN


CHIEF EXECUTIVE OFFICER