

Directors' Report

The Board of Directors is pleased to present its report along with the condensed interim unaudited financial statements for the nine months period ended March 31, 2021.

Financial Results

The Company earned profit after tax of Rs. 221.32 million for the nine months ended March 31, 2021 with EPS of Re. 0.60 per share as compared to PAT of Rs. 181.49 million with EPS of Re 0.49 of the comparative period. The operating revenue is recorded at Rs. 210.07 million as compared to Rs. 203.11 million of previous period. The other income marginally decreased from Rs. 67.40 million to Rs. 65.78 million from the comparative period due to reduction in profit rates by the Government. The administrative expenses (excluding depreciation) have remained within budgetary limits. The Company paid the final dividend of Rs. 121.17 million during the period. There is no significant change in balance sheet items during the period under review.

Business Overview

The Company with the object to launch its first REIT Scheme has been working vigorously to obtain the completion certificate of ISE Towers, being pre-requisite for launch of REIT Scheme. All the requirements for obtaining completion certificate have already been fulfilled by the Company, however matter is pending with CDA for their consideration. Moreover, the documents necessary to seek approval of SECP for the Real Estate / registration of REIT Scheme including trust deed, business plan etc have been prepared and submitted to SECP. The process for registration of REIT Scheme and Initial Public Offering will be initiated soon after obtaining the completion certificate. Side by side the Company has also been exploring other options to launch a REIT Scheme in Joint Venture. In this regard, the Board decided to participate in the privatization process of Jinnah Convention Centre Properties, Islamabad (JCC) and accordingly the expression of interest for acquisition of JCC has been submitted to the Privatization Commission.


In order to provide level playing field to the REIT Sector, reforms in REIT Regulatory Structure, balance taxation regime and financing at lower cost are very much required. SECP has been reviewing the regulatory framework for the REIT schemes and a lot of pro-business changes including Infrastructure REIT Scheme in the regulatory framework has been recently introduced by the Commission including Infrastructure REIT, Special Purpose Vehicle and alternative to Completion Certificate for public comments. Moreover, in order to have balanced tax regime for REIT Sector, the Company also submitted its proposal at relevant forum.

The Company in order for diversification of its business acquired a Trustee Company "Digital Custodian Company Limited, formerly MCB Financial Services Limited" as its subsidiary during this period and significant growth / results are expected with this investment in the long run.

Acknowledgement

In the end, the Board wishes to thank all stakeholders of the Company, Government of Pakistan and Securities & Exchange Commission of Pakistan for their patronage and support. The Board also wishes to place appreciation to the staff of the company for their dedicated services.

On behalf of Board of Directors


Sagheer Mushtaq
Acting Chief Executive Officer


Zahid Latif Khan
Chairman

Islamabad, April 29, 2021