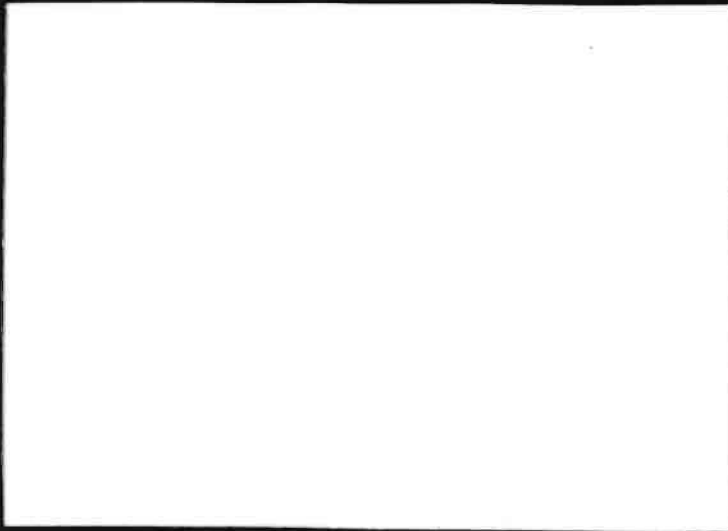


 **YOUSUF ADIL**

Yousuf Adil
Chartered Accountants



**ISE TOWERS REIT MANAGEMENT
COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER
31, 2020**

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF THE ISE TOWERS REIT MANAGEMENT COMPANY LIMITED (THE COMPANY)****Report on review of condensed interim financial information****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **ISE Towers Reit Management Company Limited ("the Company")** as at December 31, 2020, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements (here-in-after referred to as the 'condensed interim financial statements') for the six months period ended December 31, 2020. The Company is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

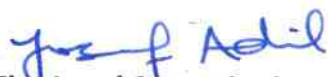
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six months period ended December 31, 2020 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter Paragraph

The financial statements of the Company for the year ended June 30, 2020 and financial information for the six months ended December 31, 2019 were audited and reviewed respectively by another firm of Chartered Accountants whose reports dated October 02, 2020 and February 28, 2020 expressed an unmodified opinion/conclusion on those financial statements and financial information respectively.

The engagement partner on the review resulting in this independent auditor's review report is Shahzad Ali.

**Chartered Accountants****Place:** Islamabad**Date:** February 27, 2021

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	Note	(Un-audited) December 31, 2020 (Rupees in '000)	(Audited) June 30, 2020
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	1,039,661	1,054,475
Intangible assets		769	855
Investment property	8	3,845,837	3,845,837
Long term investments	9	374,284	347,696
Long term security deposits and advances		14,704	14,704
Deferred tax		80,935	80,179
		<u>5,356,190</u>	<u>5,343,746</u>
CURRENT ASSETS			
Rent receivables		65	2,140
Advances, deposits and prepayments	10	5,707	6,086
Other receivables	11	52,595	45,207
Tax refund due from government - net	12	26,046	35,842
Short term investment	13	390,211	381,578
Cash and bank balances	14	38,765	62,855
		<u>513,389</u>	<u>533,708</u>
TOTAL ASSETS		<u><u>5,869,579</u></u>	<u><u>5,877,454</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital	15	3,671,870	3,671,870
Surplus on revaluation of property and equipment		286,756	291,373
Other reserves	16	1,739,280	1,710,473
		<u>5,697,906</u>	<u>5,673,716</u>
NON-CURRENT LIABILITIES			
Advances, deposits and other receipts		19,183	19,043
Deferred liabilities		14,425	15,793
		<u>33,608</u>	<u>34,836</u>
CURRENT LIABILITIES			
Accrued and other payables	17	60,531	57,096
Advances and deposits	18	67,006	103,433
Unclaimed dividend		10,528	8,373
		<u>138,065</u>	<u>168,902</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,869,579</u></u>	<u><u>5,877,454</u></u>
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 29 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 SIX MONTHS ENDED DECEMBER 31, 2020

	Note	Six months ended December 31,		Three months ended December 31,	
		2020	2019	2020	2019
(Rupees in '000)					
Income					
Operating income	20	137,991	136,398	69,566	68,259
Administrative expenses					
Depreciation / amortization		(18,766)	(31,091)	(9,896)	(14,094)
Other administrative expenses	21	(18,192)	(16,388)	(10,862)	(8,378)
		(36,958)	(47,479)	(20,758)	(22,472)
Other operating income	22	41,392	46,376	22,875	30,809
Financial charges		(36)	(46)	(16)	(19)
Operating profit		142,389	135,249	71,667	76,577
Share of profits from associated companies		29,782	15,911	16,322	10,983
Profit before taxation		172,171	151,160	87,989	87,560
Taxation		(31,204)	(32,379)	(15,910)	(17,064)
Profit after taxation		140,967	118,781	72,079	70,496
Earning per share - basic and diluted	23	0.38	0.32	0.20	0.19

The annexed notes from 1 to 29 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 SIX MONTHS ENDED DECEMBER 31, 2020

	Six months ended December 31,		Three months ended December 31,	
	2020	2019	2020	2019
Note	(Rupees in '000)			
Profit after taxation	140,967	118,781	72,079	70,496
Other comprehensive income				
Items that may be reclassified subsequently to statement of profit or loss:				
Surplus on remeasurement of FVOCI investments 9.3	4,395	3,819	4,254	3,563
Total comprehensive income for the period	145,362	122,600	76,333	74,059

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


CHAIRMAN

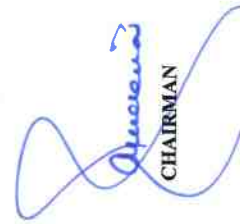

CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

	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	Total revenue reserves	
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	-	-	-	-	-	-	118,781	118,781	118,781
Amount collected for asset replacement reserve	-	-	22,361	22,361	-	-	(22,361)	(22,361)	-
Amount utilized from fixed assets replacement reserve	-	-	(19,787)	(19,787)	-	-	19,787	19,787	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(1,386)	-	(1,386)	-	-	1,386	1,386	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	3,819	-	-	3,819	3,819
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 December 31, 2019 (unaudited)	3,671,870	204,476	64,692	269,168	71,607	425	1,342,852	1,414,884	5,355,922
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	-	-	-	-	-	-	140,967	140,967	140,967
Amount collected for asset replacement reserve	-	-	21,282	21,282	-	-	(21,282)	(21,282)	-
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	-	-	-	-	4,395	-	-	4,395	4,395
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 December 31, 2020 (unaudited)	3,671,870	286,756	36,439	323,195	85,103	426	1,617,312	1,702,841	5,697,906

(Rupees in '000)

The annexed notes from 1 to 29 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 SIX MONTHS ENDED DECEMBER 31, 2020

		December 31, 2020	December 31, 2019
	Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	24	121,768	105,314
Gratuity paid		(2,720)	(1,769)
Compensated absences paid		(737)	(1,144)
Income tax paid		(22,164)	(22,711)
Net cash generated from operating activities		<u>96,147</u>	<u>79,690</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(3,866)	(72,991)
Proceeds from sale of operating fixed assets		-	1,776
Interest received		20,623	19,909
Investment in subsidiary company		(9,969)	-
Investment (made)/encashed during the period		(12,975)	72,995
Dividend received		4,863	4,694
Net cash (invested in)/generated from investing activities		<u>(1,324)</u>	<u>26,383</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Advances, deposits and other receipts		140	(602)
Dividend paid		(119,017)	(86,759)
Financial charges paid		(36)	(46)
Net cash used in financing activities		<u>(118,913)</u>	<u>(87,407)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(24,090)</u>	<u>18,666</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>38,765</u></u>	<u><u>60,088</u></u>

The annexed notes from 1 to 29 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 SIX MONTHS ENDED DECEMBER 31, 2020

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 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 six months ended December 31, 2020 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 six months ended December 31, 2019.

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 December 31, 2020.

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 TAXATION

The provision for taxation for the six months ended December 31, 2020 has been made using the effective tax rate applicable to expected total annual earnings.

6 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.

7 PROPERTY AND EQUIPMENT

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
Operating assets	7.1	1,036,669	1,050,604
Capital work in progress	7.2	2,992	3,871
		<u>1,039,661</u>	<u>1,054,475</u>

7.1 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 December 31, 2020														
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	-	-	-	110	-	2,035	-	-	-	-	4,576
Disposals:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(3,767)	(5,328)	(413)	(403)	-	(6,521)	(525)	(14)	(604)	(270)	(127)	(388)	(151)	(18,511)
Net book value	591,401	309,251	4,927	3,094	-	115,116	3,055	58	2,303	2,700	1,524	2,704	536	1,036,669
Gross carrying value basis														
Period ended December 31, 2020														
Cost/revalued amount	595,168	314,579	70,006	154,582	5,521	130,464	10,118	12,033	6,493	6,710	3,074	4,588	3,684	1,317,020
Accumulated depreciation	(3,767)	(5,328)	(65,079)	(151,488)	(5,521)	(15,348)	(7,063)	(11,975)	(4,190)	(4,010)	(1,550)	(1,884)	(3,148)	(280,351)
Net book value	591,401	309,251	4,927	3,094	-	115,116	3,055	58	2,303	2,700	1,524	2,704	536	1,036,669
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:	-	-	-	-	-	(13,645)	-	-	-	-	-	(647)	-	(14,292)
Cost	-	-	-	-	-	13,513	-	-	-	-	-	-	-	13,513
Accumulated depreciation	-	-	-	-	-	(132)	-	-	-	-	-	(647)	-	(779)
Revaluation adjustment for the year	69,304	28,147	-	-	-	(9,117)	(957)	(18)	(476)	(644)	(266)	(823)	(270)	97,451
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	-	-	-	(9,117)	(957)	(18)	(476)	(644)	(266)	(823)	(270)	97,451
The company has a subsidiary in (t)	(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%	

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
7.2	Capital work in progress		
	Electrical equipment	-	1,694
	HVAC	1,262	1,262
	Security equipment	1,666	-
	Security systems	-	915
	Office equipment	64	-
		<u>2,992</u>	<u>3,871</u>

8 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 change in valuation techniques during the period.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
9	LONG TERM INVESTMENTS		
	Long term investments-subsiary	9,969	-
	Long term investments-under equity method	227,293	215,069
	Long term investments-FVTOCI	137,022	132,627
		<u>374,284</u>	<u>347,696</u>
9.1	Investments in subsidiary		
	Digital Custodian Company Limited (DCCL)	9,969	-
		<u>9,969</u>	<u>-</u>

9.1.1 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) December 31, 2020	(Audited) June 30, 2020
		(Rupees in '000)	
9.2	Long term investments-under equity method		
	National Clearing Company of Pakistan Limited (NCCPL)	215,984	204,487
	Pakistan Mercantile Exchange Limited (PMEX)	11,309	10,582
		<u>227,293</u>	<u>215,069</u>

9.2.1 The balances of long term investments-under equity method of PMEX have been presented based on management accounts for the half year ended December 31, 2020.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		(Rupees in '000)	
9.3	Long term investments- FVTOCI		
	Central Depository Company of Pakistan Limited	130,095	126,529
	VIS Credit Rating Company Limited (VIS)	6,927	6,098
		<u>137,022</u>	<u>132,627</u>
9.3.1	Central Depository Company of Pakistan Limited		
	Investment - at cost	47,163	47,163
	Fair value adjustment	82,932	79,366
		<u>130,095</u>	<u>126,529</u>
9.3.2	VIS Credit Rating Company Limited (VIS)		
	Investment - at cost	4,756	4,756
	Fair value adjustment	2,171	1,342
		<u>6,927</u>	<u>6,098</u>
9.3.3	The balances of long term investments have been presented based on management accounts for the half year ended December 31, 2020		
	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		(Rupees in '000)	
10	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Considered Good		
	Advances to staff	367	454
	Advances to contractors	4,300	5,097
	Deposits and prepayments	1,040	535
	Considered doubtful based on expected credit loss (ECL)	225	225
		<u>5,932</u>	<u>6,311</u>
	Allowance for expected credit loss (ECL)	(225)	(225)
		<u>5,707</u>	<u>6,086</u>
11	OTHER RECEIVABLES		
	Considered good		
	Receivable from building occupants	30,673	41,776
	Due from sub lessee	500	500
	Dividend receivable	17,561	-
	Others	3,861	2,931
		<u>52,595</u>	<u>45,207</u>
	Considered doubtful based on expected credit loss (ECL)	1,273	1,273
		<u>53,868</u>	<u>46,480</u>
	Allowance for Expected Credit Losses	(1,273)	(1,273)
		<u>52,595</u>	<u>45,207</u>
11.1	This represents receivables from occupants of building on account of utilities and other maintenance services.		
11.2	This represents receivables from a party to whom office space in ISE Towers have been sold/sub leased.		

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(Rupees in '000)			
12	TAX REFUND DUE FROM GOVERNMENT - NET		
	Income tax - opening	35,842	54,759
	Advance - Income tax paid during the period/year	22,164	47,862
		<u>58,006</u>	<u>102,621</u>
	Provision for taxation for the period /year	(31,960)	(66,779)
	Income tax - closing	<u>26,046</u>	<u>35,842</u>

13 SHORT TERM INVESTMENT

13.1 This represents investment in treasury bills (T-Bills) having maturity between February 11, 2021 to March 25, 2021 and carries average yield rate ranging from 6.4% to 7.14% per annum (June 30, 2020: 8% to 10%).

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(Rupees in '000)			
14	CASH AND BANK BALANCES		
	Cash at banks		
	Savings account		
	- Local currency	14.1 38,330	62,454
	- Foreign currency (USD)	365	381
		<u>38,695</u>	<u>62,835</u>
	Cash in hand	70	20
		<u>38,765</u>	<u>62,855</u>

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

15 SHARE CAPITAL

15.1 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).

15.2 Issued, subscribed and paid up capital:

Number of ordinary shares of Rs.10/-each			(Un-audited) December 31, 2020	(Audited) June 30, 2020
31-Dec-20	30-Jun-20	Ordinary shares issued for consideratio n other than cash.	(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) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
16	OTHER RESERVES		
	Reserve for replacement of fixed assets	36,439	15,157
	Surplus on remeasurement of fair value through	85,103	80,708
	Unrealized surplus on remeasurement of investments	426	426
	Accumulated profit	<u>1,617,312</u>	<u>1,614,182</u>
		<u><u>1,739,280</u></u>	<u><u>1,710,473</u></u>

16.1 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) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees in '000)	
17	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	24,522	22,502
	Corporate social responsibility	5,119	4,619
	Other payables	3,964	6,074
		<u>60,531</u>	<u>57,096</u>

18 ADVANCES AND DEPOSITS

	Advance rent	55,316	91,613
	Deposit from members against exposure and clearing house	1,070	1,070
	Retention money & security deposits	<u>10,620</u>	<u>10,750</u>
		<u><u>67,006</u></u>	<u><u>103,433</u></u>

19 CONTINGENCIES AND COMMITMENTS

19.1 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.

19.2 Commitments

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

Note	Six months ended December 31,		Three months ended December 31,	
	2020	2019	2020	2019
	(Rupees in '000)			

20 OPERATING INCOME

Rental income from investment property	134,034	132,420	67,568	66,330
Other rentals	3,957	3,978	1,998	1,929
	137,991	136,398	69,566	68,259

21 OTHER ADMINISTRATIVE EXPENSES

Salaries and benefits	6,061	6,159	3,028	2,948
Directors' remuneration	850	1,450	850	950
Travelling and lodging	105	164	69	108
Postage, telephone and fax	247	314	145	178
Printing and stationery	545	562	464	497
News papers, books and periodicals	22	24	13	10
Publicity and advertisements	44	130	-	130
Rent, rates and taxes	1,964	1,972	982	992
Legal and professional charges	3,529	869	2,910	476
Auditors' remuneration	197	185	197	185
Contract services	342	139	182	70
Repairs and maintenance	197	120	128	104
Meetings and entertainment	429	605	242	289
MIS / technology charges	172	260	95	139
Electricity, gas and water	1,525	1,412	515	344
Insurance	1,228	1,372	598	634
Corporate social responsibility	500	500	250	250
Miscellaneous	235	151	194	75
	18,192	16,388	10,862	8,379

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

22 OTHER OPERATING INCOME

Income from financial assets:

Profit on bank deposits & investment	16,297	21,887	8,246	10,634
Exchange (loss)	(16)	(6)	(11)	(4)
Dividend received	4,863	4,694	4,863	4,694

Income from non financial assets:

Gain on disposal of operating fixed assets	-	997	(179)	818
Room transfer fee	1,350	629	747	428
Income from branding	772	661	331	330
Asset service charges from tenants/occupants	10,641	10,469	5,322	7,653
Others	7,485	7,045	3,556	6,256
	41,392	46,376	22,875	30,809

22.1 This includes car parking fee amounting to Rs. 4.465 million and split unit charges amounting Rs. 1.712 million.

23 EARNING PER SHARE -BASIC AND DILUTED

Profit after tax	140,967,000	118,781,000	72,258,000	70,496,000
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)	0.38	0.32	0.20	0.19

	Note	(Un-audited) December 31, 2020	(Un-audited) December, 31, 2019
(Rupees in '000)			
24 CASH GENERATED FROM OPERATIONS			
Profit before taxation		172,171	151,160
<i>Adjustment for non-cash charges and other items:</i>			
Depreciation/amortization		18,764	31,091
Profit on bank deposits & investment		(16,297)	(21,887)
Exchange loss/(gain)		16	6
Dividend income		(4,863)	(4,694)
Gain on sale of operating assets		-	(997)
Share of profits from associated companies		(29,782)	(15,911)
Provision for gratuity		1,708	1,455
Provision for compensated absences		383	743
Financial charges		36	46
Working capital changes	24.1	(20,368)	(35,698)
		<u>121,768</u>	<u>105,314</u>
24.1 Changes in working capital			
Decrease / (increase) in current assets			
Rent receivables		2,075	1,320
Advances, deposits and prepayments including long term advance		379	84
Other receivables		10,170	(305)
Increase / (decrease) in current liabilities			
Accrued and other payables		3,435	4,646
Advances and deposits		(36,427)	(41,443)
		<u>(20,368)</u>	<u>(35,698)</u>
25 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) December 31, 2020	(Un-audited) December, 31, 2019
(Rupees in '000)			
Transactions with associates			
Associate companies (related parties by virtue of common directorship)			
National Clearing Company of Pakistan Limited			
Utility charges		1,457	1,516
Amount received against utility charges		1,246	1,531
Pakistan Mercantile Exchange Limited (PMEX)			
Utility charges		161	172
Amount received against utility charges		162	176
Transactions with directors			
Utility charges		1,336	1,457
Amount received against utility charges		1,137	1,456

25.1 Remuneration of chief executive officer, executives and directors

	December 31,		December 31,		December 31,		December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
	Directors		Chief Executive Officer		Executives		Total	
(Rupees in '000)								
Managerial remuneration	-	-	1,848	1,848	1,220	1,661	3,068	3,509
Gratuity paid	-	-	-	300	-	1,134	-	1,434
Meeting fees	850	1,450	-	-	-	-	850	1,450
	850	1,450	1,848	2,148	1,220	2,795	3,918	6,393
Number of persons	10	10	1	1	1	2	12	13

26 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 six month period ended December 31, 2020, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2020 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.

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

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Assets				
Financial assets at fair value through Other comprehensive income	-	-	137,022	137,022
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

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

As at December 31, 2020			
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

26.3 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) December 31, 2020 (Rupees in '000)	(Audited) June 30, 2020
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.

27 CORRESPONDING FIGURES

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

28 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on February 27, 2021.

29 GENERAL

Figures have been rounded off to the nearest thousand.


CHAIRMAN


CHIEF EXECUTIVE OFFICER