

Directors' Report

The Board of Directors of ISE Towers REIT Management Company Limited (the Company) are pleased to present their report together with the interim financial statements of the Company and the auditors' review report thereon for the nine months period ended March 31, 2024.

The Company registered net profit after tax for the period has been recorded at Rs. 372.23 million (EPS: Rs. 1.01 per share) as compared to the comparative profit of Rs. 292.05 million (EPS: Rs. 0.80 per share). The increase in net profit is mainly on account of increase in operating revenues, profits on bank deposits & investment and share of profits from associated companies. The operating revenue amounted to Rs. 281.06 million against the comparative figure of Rs. 264.32 million witnessing an increase of 6.3%. Other income amounting to Rs. 181.34 million showed an increase of 37.80% over the comparative figure of Rs. 131.62 million mainly on account of increase in profits on bank deposits & investments. Administrative expenses, excluding depreciation & amortization for the period, amounting to Rs. 37.49 million increased by 12.4% over the comparative figure of Rs. 33.05 million, mainly on account of increase in utility charges, MIS tech charges and staff salaries.

The Balance sheet footing of March 31, 2024 remained strong i.e., at Rs. 7,857 million.

The Real Estate Investment Trust (REIT) sector has been showing continuous growth. Although, it has now been facing headwinds due to withdrawal of Capital Gain Tax exemption and increase in withholding tax to 3% vide Finance Act, 2023 coupled with higher construction cost, however, robust governance arrangements, and enhanced transparency and investor protection mechanism can be expected to position Pakistan's REIT sector as a viable emerging investment destination for both local and foreign investors. The Company is also at its last stage to launch its first REIT i.e., ISE Towers REIT Scheme, being a pilot project. The Trust has been registered with Directorate of Industries and Commerce, Sindh. Moreover, the Securities and Exchange Commission of Pakistan has also granted its consent as deemed registration of the ISE Towers REIT Scheme. Accordingly, the Company is in the process for transfer of property to Trust and subsequent listing thereof.

Maintaining its commitment to the shareholders, the Board of Directors have declared First Interim Cash Dividend at the rate of Re. 0.40/- per share i.e. (4%) out of un-appropriated profits.

In the end, the Board wishes to thank all the 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 for their dedicated hard work.

On behalf of Board of Directors


Sagheer Mushtaq
Chief Executive


Zahid Latif Khan
Chairman

Islamabad, April 30, 2024

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

**Condensed Interim Financial Statements
For Nine Months Ended March 31, 2024**

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION- UNAUDITED
AS AT MARCH 31, 2024

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	1,278,822	1,195,577
Intangible assets		1,925	1,962
Investment property	8	5,096,305	5,096,305
Long term investments	9	581,363	496,060
Long term deposits		14,778	14,906
Deferred taxation		25,976	25,352
		<u>6,999,169</u>	<u>6,830,162</u>
CURRENT ASSETS			
Receivables	10	59,792	68,041
Advances and prepayments	11	5,584	7,139
Short term investment	12	657,765	841,747
Cash and bank balances	13	134,786	83,008
		857,927	999,935
TOTAL ASSETS		<u><u>7,857,096</u></u>	<u><u>7,830,097</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital 700,000,000 (2023: 700,000,000) ordinary shares of Rs. 10 each		7,000,000	7,000,000
Share capital	14	3,671,870	3,671,870
Surplus on revaluation of property and equipment		424,093	430,096
Other reserves	15	3,483,198	3,432,025
		<u>7,579,161</u>	<u>7,533,991</u>
NON-CURRENT LIABILITIES			
Long term deposits		23,455	23,203
Deferred liabilities		29,957	25,783
		<u>53,412</u>	<u>48,986</u>
CURRENT LIABILITIES			
Accrued and other payables	16	67,668	62,452
Advances and deposits	17	83,453	148,962
Tax payable to government	18	48,206	10,403
Unclaimed dividend		25,196	25,303
		224,523	247,120
TOTAL EQUITY AND LIABILITIES		<u><u>7,857,096</u></u>	<u><u>7,830,097</u></u>
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 30 form an integral part of these 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 PERIOD ENDED MARCH 31, 2024

	Note	Nine months ended March 31,		Three months ended March 31,	
		2024	2023	2024	2023
(Rupees in '000)					
Income					
Operating income	20	281,064	264,317	95,185	89,753
Administrative expenses					
Depreciation / amortization		(34,395)	(33,188)	(11,486)	(11,116)
Other administrative expenses	21	(37,490)	(33,051)	(10,661)	(10,435)
		(71,885)	(66,239)	(22,147)	(21,551)
Other operating income	22	181,337	131,620	57,515	46,168
Fair value gain on investments classified at FVTPL		104	4,172	-	4,172
Financial charges		(55)	(34)	(4)	(6)
Operating profit		390,565	333,836	130,549	118,536
Share of profits from associated companies		88,538	41,114	37,126	5,905
Profit before taxation		479,103	374,950	167,675	124,441
Taxation		(106,870)	(82,905)	(31,385)	(29,384)
Profit after taxation		372,233	292,045	136,290	95,057
Earning per share - basic and diluted	23	1.01	0.80	0.37	0.26

The annexed notes from 1 to 30 form an integral part of these 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 PERIOD ENDED MARCH 31, 2024

Nine months ended March 31,		Three months ended March 31,	
2024	2023	2024	2023
(Rupees in '000)			

Profit after taxation	372,233	292,045	136,290	95,057
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss:				
Surplus on remeasurement of FVOCI investments	14,421	5,407	(1,986)	(1,336)
Total comprehensive income for the period	<u><u>386,654</u></u>	<u><u>297,452</u></u>	<u><u>134,304</u></u>	<u><u>93,721</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Nine months ended	
		March 31, 2024	March 31, 2023
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
		479,103	374,950
		(194,332)	(100,942)
		<u>284,771</u>	<u>274,008</u>
Working capital changes			
(Increase) / decrease in current assets			
		8,249	(16,293)
		1,555	(456)
		128	-
		<u>9,932</u>	<u>(16,749)</u>
Increase / (decrease) in current liabilities			
		5,216	4,723
		(65,509)	(98,201)
		<u>(60,293)</u>	<u>(93,478)</u>
		<u>234,410</u>	<u>163,781</u>
		(830)	(331)
		(157)	(73)
		(69,690)	(63,188)
		<u>163,733</u>	<u>100,189</u>
CASH FLOW FROM INVESTING ACTIVITIES			
		(117,603)	(38,560)
		132,895	73,485
		181,993	(36,127)
		32,154	49,889
		<u>229,439</u>	<u>48,687</u>
CASH FLOW FROM FINANCING ACTIVITIES			
		252	1,129
		(341,591)	(237,552)
		(55)	(34)
		<u>(341,394)</u>	<u>(236,457)</u>
		<u>51,778</u>	<u>(87,581)</u>
		<u>83,008</u>	<u>154,359</u>
		<u>134,786</u>	<u>66,778</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Issued, subscribed and paid up capital	Capital reserve			Revenue reserves				Total	
	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		
------(Rupees in '000)-----									
Balance as at June 30, 2022 (Audited)	3,671,870	416,066	111,776	527,842	112,324	426	2,099,138	2,211,888	6,411,600
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	292,045	292,045	292,045
Amount collected for asset replacement reserve	-	-	40,932	40,932	-	-	(40,932)	(40,932)	-
Amount utilized from fixed assets replacement reserve	-	-	(10,180)	(10,180)	-	-	10,180	10,180	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(5,914)	-	(5,914)	-	-	5,914	5,914	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	5,407	-	-	5,407	5,407
Transaction with owners									
Final cash dividend for the year ended June 30, 2022 at Rs. 0.65 per share	-	-	-	-	-	-	(238,672)	(238,672)	(238,672)
Balance as at March 31, 2023 (Unaudited)	3,671,870	410,152	142,528	552,680	117,731	426	2,127,673	2,245,830	6,470,380
Balance as at June 30, 2023 (Audited)	3,671,870	430,096	150,627	580,723	120,195	426	3,160,777	3,281,398	7,533,991
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	372,233	372,233	372,233
Amount collected for asset replacement reserve	-	-	41,258	41,258	-	-	(41,258)	(41,258)	-
Amount utilized from fixed assets replacement reserve	-	-	(149,357)	(149,357)	-	-	149,357	149,357	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(6,003)	-	(6,003)	-	-	6,003	6,003	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	14,421	-	-	14,421	14,421
Transaction with owners									
Final cash dividend for the year ended June 30, 2023 at Rs. 0.93 per share	-	-	-	-	-	-	(341,484)	(341,484)	(341,484)
Balance as at March 31, 2024 (Unaudited)	3,671,870	424,093	42,528	466,621	134,616	426	3,305,628	3,440,670	7,579,161

The annexed notes from 1 to 30 form an integral part of these 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 PERIOD ENDED MARCH 31, 2024

1 CORPORATE AND GENERAL INFORMATION

- 1.1** ISE Towers REIT Management Company Limited ("the Company") was incorporated initially as Islamabad Stock Exchange (Guarantee) limited (ISE) in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) for the purpose of carrying out business of stock exchange. On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), was converted into a public company limited by shares on issuance of certificate of 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 to change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP).
- 1.3** SECP has approved the scheme of integration under the Act through its order number 01/2016 dated January 11, 2016. As a consequence of this approval, ISE changed its name and scope of business and got converted from ISE to a REIT Management Company under the repealed Companies Ordinance, 1984 and accordingly, the agreed assets / liabilities of stock exchange business were transferred to PSX with effect from January 11, 2016.
- 1.4** The new name of the Company is "ISE Towers REIT Management Company Limited" which has been licensed as 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, 2022.
- 1.5** The principal activities of the Company is to launch and manage Real Estate Investment Trust (REIT) under REIT Regulations, 2022.

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.

- 1.7** These are the condensed interim financial statements.

2 BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements of the Company for the nine months ended March 31, 2024 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 (IAS) 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.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

These interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2023. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023 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, 2023.

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, 2023. 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, 2023. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of March 31, 2024.

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 nine months ended March 31, 2024 has been made using the effective tax rate applicable as per Income Tax Ordinance, 2001.

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 audited financial statements for the year ended June 30, 2023.

7 PROPERTY AND EQUIPMENT

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
	Note	(Rupees in '000)	
Operating assets	7.1	1,136,766	1,159,717
Capital work in progress	7.2	142,056	35,860
		<u>1,278,822</u>	<u>1,195,577</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 March 31, 2024(Un-audited)														
Opening net book value (NBV)	663,602	376,180	12,197	4,125	-	82,511	10,831	334	570	3,485	2,124	3,429	329	1,159,717
Additions (at cost)	-	-	4,547	-	1,036	-	969	942	123	9	169	-	252	8,047
Transfer from CWIP	-	-	1,401	-	1,553	-	261	-	-	75	-	-	-	3,290
Depreciation charge	(6,549)	(10,645)	(1,319)	(795)	-	(9,781)	(2,651)	(183)	(307)	(523)	(264)	(1,089)	(182)	(34,288)
Net book value	657,053	365,535	15,425	3,330	1,036	72,730	9,410	1,093	386	2,971	2,029	2,340	399	1,136,766
Gross carrying value basis														
Period ended March 31, 2024(Un-audited)														
Cost/revalued amount	663,602	376,180	86,049	158,057	8,110	130,464	24,418	13,314	7,740	9,052	4,512	7,281	4,318	1,493,097
Accumulated depreciation	(6,549)	(10,645)	(69,223)	(154,727)	(5,521)	(57,734)	(15,008)	(12,221)	(7,354)	(6,006)	(2,483)	(4,941)	(3,919)	(356,331)
Net book value	657,053	365,535	16,826	3,330	2,589	72,730	9,410	1,093	386	3,046	2,029	2,340	399	1,136,766
Net carrying value basis														
Year ended June 30, 2023(Audited)														
Opening net book value (NBV)	663,601	369,947	8,422	3,748	-	95,553	6,793	61	1,441	2,507	1,645	4,885	202	1,158,804
Additions (at cost)	-	-	2,478	274	-	-	3,905	343	155	855	546	-	-	8,557
Transfers from CWIP	-	-	2,644	1,098	-	-	2,784	-	137	828	280	-	414	8,184
Revaluation adjustment for the year	8,619	19,682	-	-	-	-	-	-	-	-	-	-	-	28,301
Depreciation charge	(8,618)	(13,449)	(1,347)	(995)	-	(13,042)	(2,651)	(70)	(1,163)	(704)	(347)	(1,456)	(287)	(44,129)
Net book value	663,602	376,180	12,197	4,125	-	82,511	10,831	334	570	3,486	2,124	3,429	329	1,159,717
Gross carrying value basis														
Year ended June 30, 2023(Audited)														
Cost/revalued amount	663,601	369,947	80,101	158,057	5,521	130,464	23,188	12,372	7,617	8,968	4,343	7,281	4,066	1,475,526
Revaluation adjustment for the year	8,619	19,682	-	-	-	-	-	-	-	-	-	-	-	28,301
Accumulated depreciation	(8,618)	(13,449)	(67,904)	(153,932)	(5,521)	(47,953)	(12,357)	(12,038)	(7,047)	(5,483)	(2,219)	(3,852)	(3,737)	(344,110)
Net book value	663,602	376,180	12,197	4,125	-	82,511	10,831	334	570	3,485	2,124	3,429	329	1,159,717
Depreciation rate per annum	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	

7.2 Capital work in progress-CWIP

Description	Balance as on June 30, 2023 (Audted)	Additions	Transfer to operating assets	Balance as on Mar 31, 2024 (Unaudited)
	(Rupees in '000')			
Office renovation	-	75	75	-
Electrical equipments	-	1,401	1,401	-
Security equipment	-	261	261	-
Life support system	35,860	106,196	-	142,056
Plumbing installations	-	1,553	1,553	
Grand Total	35,860	109,486	3,290	142,056

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 out by approved independent valuer Asif Associates (Private) Limited on June 30, 2023. 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 valuation during the period.

	Note	(Un-audited)	(Audited)
		March 31, 2024	June 30, 2023
		(Rupees in '000)	
9 LONG TERM INVESTMENTS			
Long term investments-under equity method	9.1	394,828	323,946
Long term investments-FVTOCI	9.2	186,535	172,114
		<u>581,363</u>	<u>496,060</u>
9.1 Long term investments-under equity method			
National Clearing Company of Pakistan Limited (NCCPL)		287,129	252,476
Pakistan Mercantile Exchange Limited (PMEX)		93,774	57,621
Digital Custodian Company Limited (DCCL)		13,925	13,849
	9.1.1	<u>394,828</u>	<u>323,946</u>
9.1.1	The balances of long term investments-under equity method of DCCL have been presented based on management accounts for the six month ended December 31, 2023 respectively		
	Note	(Un-audited)	(Audited)
		March 31, 2024	June 30, 2023
		(Rupees in '000)	
9.2 Long term investments- FVTOCI			
Central Depository Company of Pakistan Limited	9.2.1	176,635	161,941
VIS Credit Rating Company Limited	9.2.2	9,900	10,173
		<u>186,535</u>	<u>172,114</u>

(Un-audited) (Audited)
 March 31, June 30,
 2024 2023

Note (Rupees in '000)

9.2.1 Central Depository Company of Pakistan Limited (CDC)

Investment - at cost	47,163	47,163
Fair value adjustment	129,472	114,778
	<u>176,635</u>	<u>161,941</u>

9.2.2 VIS Credit Rating Company Limited (VIS)

Investment - at cost	4,756	4,756
Fair value adjustment	5,144	5,417
	<u>9,900</u>	<u>10,173</u>

9.2.3 The balances of long term investments in VIS have been presented based on management accounts for the half year ended December 31, 2023 respectively

(Un-audited) (Audited)
 March 31, June 30,
 2024 2023

(Rupees in '000)

10 RECEIVABLES

Considered good

Rent Receivable	199	115
Receivable from building occupants	40,783	47,864
Receivable from REIT scheme	18,020	15,572
Due from sub lessee	500	500
Others	290	3,990

Considered doubtful based on expected credit loss (ECL)

Allowance for expected credit losses

	59,792	68,041
	764	1,255
	<u>60,556</u>	<u>69,296</u>
	<u>(764)</u>	<u>(1,255)</u>
	<u>59,792</u>	<u>68,041</u>

10.1 This represents receivables from occupants of building on account of utilities and maintenance services.

(Un-audited) (Audited)
 March 31, June 30,
 2024 2023

(Rupees in '000)

11 ADVANCES, DEPOSITS AND PREPAYMENTS

Considered Good

Advances to staff	780	2,720
Advances to contractors	2,951	3,888
Deposits and prepayments	1,853	531
Considered doubtful based on expected credit loss (ECL)	225	225

Allowance for expected credit loss (ECL)

	<u>5,809</u>	<u>7,364</u>
	<u>(225)</u>	<u>(225)</u>
	<u>5,584</u>	<u>7,139</u>

(Un-audited) (Audited)
March 31, **June 30,**
2024 **2023**
(Rupees in '000)

16 ACCRUED AND OTHER PAYABLES

			31,383	23,472
	Payable on account of securities brokers in default	16.1		
	Payable to sub lessees		11,375	11,375
	Accrued liabilities		14,681	15,844
	Corporate social responsibility	16.2	6,457	6,854
	Audit fee payable		-	400
	Other payables		3,772	4,507
			67,668	62,452

16.1 This represents amount received from disposal of assets of defaulting/expelled security brokers. This mainly includes amounts received from sale of assets of M/s Intergain Securities and Riaz Mahmood amounting to Rs. 1.24 million (June 2023: Rs. 1.24 million) and Rs. 4.45 million (June 2023: Rs. 4.45 million), respectively. These amounts are to be utilized for the settlement of dues including investors' claims of the defaulting security brokers through fund committee constituted by Securities and Exchange Commission of Pakistan (SECP).

16.2 During the period, a contribution of Rs. 750,000 has been made to the CSR fund, out of which an amount of Rs. 1,147,265 has been utilized out of this fund as scholarship to eligible students.

(Un-audited) (Audited)
March 31, **June 30,**
2024 **2023**
(Rupees in '000)

17 ADVANCES AND DEPOSITS

			66,071	136,419
	Advance rent			
	Deposit from security brokers against exposure and clearing house		1,270	970
	Retention money & security deposits		16,112	11,573
			83,453	148,962

18 TAX PAYABLE TO GOVERNMENT

			10,403	-
	Income tax - opening			
	Transferred from tax refund from government	12	-	(1,593)
	Provision for taxation for the period /year		107,493	109,021
			117,896	107,428
	Advance - Income tax paid during the period/year		(69,690)	(97,025)
	Income tax - closing		48,206	10,403

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, 2023.

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, 2023.

c) Tax contingencies

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2023.

19.2 Commitments

Company's commitments for capital expenditure are Rs. 117.236 million (June 30, 2023: Rs. 240.173 million)

	Nine months ended March 31,		Three months ended March 31,	
	2024	2023	2024	2023
	(Rupees in '000)			
20 OPERATING INCOME				
Rental income from investment property	274,202	258,126	92,900	87,627
Other rentals	6,862	6,191	2,285	2,126
	281,064	264,317	95,185	89,753
21 OTHER ADMINISTRATIVE EXPENSES				
Salaries and benefits	16,922	12,634	4,945	4,565
Directors' remuneration	1,475	950	600	250
Travelling and lodging	950	780	258	290
Postage, telephone and fax	422	350	119	94
Printing and stationery	1,203	1,052	74	103
News papers, books and periodicals	60	48	21	16
Publicity and advertisements	36	-	-	-
Rent, rates and taxes	3,031	4,398	1,005	1,005
Legal and professional charges	3,258	3,827	1,465	1,202
Auditors' remuneration	259	323	50	119
Contract services	373	259	137	91
Repairs and maintenance	370	217	127	43
Meetings and entertainment	1,437	972	505	236
Trainings	-	273	-	273
MIS / technology charges	895	549	272	192
Electricity, gas and water	3,663	2,929	1,085	839
Insurance	1,983	1,986	749	753
Provision for doubtful debt - ECL	-	-	(1,261)	-
Real estate agent fee	-	461	-	30
Corporate social responsibility	750	750	250	250
Miscellaneous	403	293	260	84
	37,490	33,051	10,661	10,435
22 OTHER OPERATING INCOME				
Income from financial assets:				
Profit on bank deposits & investment	130,909	69,757	36,785	15,979
Exchange (loss) /gain	(3)	179	-	135
Dividend from associate	13,628	12,639	8,130	7,189
Dividend from mutual funds	871	14,516	-	-
Income from non financial assets:				
Room transfer fee	614	911	202	911
Income from branding	742	798	247	255
Asset service charges from tenants/occupants	19,230	19,098	6,411	6,294
Others	15,346	13,722	5,740	4,583
	181,337	131,620	57,515	35,346

22.1 This mainly includes car parking fee amounting to Rs. 7.61 million (March 31, 2023 Rs. 7.46) and split unit charges amounting Rs. 2.64 million. (March 31, 2023 Rs. 2.34).

Nine months ended March 31,		Three months ended March 31,	
2024	2023	2024	2023

23 EARNING PER SHARE -BASIC AND DILUTED

Profit after tax (Rs.)	372,233,000	292,045,000	136,290,000	95,057,000
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)	1.01	0.80	0.37	0.26

Nine months ended	
March 31, 2024	March 31, 2023
(Rupees in '000)	

24 CASH GENERATED FROM OPERATIONS

Adjustment for non-cash charges and other items:

Depreciation/amortization	34,395	33,188
Profit on bank deposits & investment	(130,909)	(69,757)
Exchange loss /(gain)	3	(179)
Dividend income	(14,499)	(27,155)
Share of profits from associated companies	(88,538)	(41,114)
Provision for gratuity	4,263	3,313
Provision for compensated absences	898	728
Financial charges	55	34
	(194,332)	(100,942)

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:

Un-audited	
March 31, 2024	March, 31, 2023
(Rupees in '000)	

Transactions with associates

Associate companies (related parties by virtue of common directorship)

National Clearing Company of Pakistan Limited

Utility charges	2,810	2,214
Amount received against utility charges	2,829	2,444
Dividend received	17,655	22,734

Pakistan Mercantile Exchange Limited (PMEX)

Utility charges	459	363
Amount received against utility charges	455	362

Transactions with directors

Utility charges	3,573	3,299
Amount received against utility charges	3,526	3,198

Remuneration of chief executive officer, executives and directors

	March 31,		March 31,		March 31,		March 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
	Directors		Chief Executive		Executives		Total	
	(Rupees in '000)							
Managerial remuneration	-	-	5,052	4,211	3,220	2,729	8,272	6,940
Gratuity paid	-	-	-	-	-	-	-	-
Meeting fees	1,475	950	-	-	-	-	1,475	950
	1,475	950	5,052	4,211	3,220	2,729	9,747	7,890
Number of persons	10	10	1	1	1	1	12	12

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 nine month period ended March 31, 2024, there were no transfers into or out of Level 3 fair value measurements.

As at March 31, 2024 and June 30, 2023 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 March 31, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Financial assets at fair value through Profit and loss	-	-	104	104
Financial assets at fair value through Other comprehensive income	-	-	186,535	186,535
	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through Profit and loss	-	-	45,460	-
Financial assets at fair value through Other comprehensive income	-	-	172,114	172,114

26.2 The investment property was valued on June 30, 2023 carried out by external independent valuer M/s Asif Associates (Private) Limited.

As at March 31, 2024			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Assets			
Investment in property carried at fair value	-	-	5,096,305
			5,096,305
As at June 30, 2023			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Investment in property carried at fair value	-	-	5,096,305
			5,096,305

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:

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
Opening balance (level 3 recurring fair values)	5,096,305	4,155,638
Fair value gain raised during the period/year	-	940,667
Closing balance (level 3 recurring fair values)	5,096,305	5,096,305

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

The Company has revalued its leasehold land and buildings on June 30, 2023 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 NUMBER OF EMPLOYEES

Average number of employees at period ended was 23.(June 30, 2023:23)

28 CORRESPONDING FIGURES

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

29 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the period ended March 31, 2024, the Board of Directors have declared interim cash dividend of Re. 0.40 per share, amounting to Rs.146.875 million at their meeting held on April 30, 2024.

29 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 30, 2024.

30 GENERAL

Figures have been rounded off to the nearest thousand rupee.


CHAIRMAN


CHIEF EXECUTIVE OFFICER