

Directors' Report

The Board of Directors is pleased to present its report along with the condensed interim unaudited financial statements for the three months' period ended September 30, 2021.

Financial Results

The Company registered a net profit of Rs. 80.70 million for the period ended September 30, 2021 with EPS of Re. 0.22 per share which is 16% higher than comparative period EPS of Re. 0.19. The operating revenue has been recorded at Rs. 75.91 million as compared to comparative figure of Rs. 68.43 million. Other income amounting to Rs. 23.08 million is 26% higher than the comparative figure of other income i.e., Rs 18.34 million. The increase is mainly on account of increase in profit on bank deposits & investments. Administrative expenses for the period have increased by 6% over the comparative period.

The Balance sheet footing of September 30, 2021 remained strong i.e., at Rs. 6,429.52 million.

Business Overview

The Board is continuously evaluating potential REIT projects with both short term and long-term strategies. ISE Towers REIT Scheme has achieved significant progress in terms of obtaining approvals from Revenue Department, Estate Management Department, Sewage/Sanitation Directorate, Emergency and Disaster Management Department of the civic body and certificate of compliance from Pakistan Environmental Protection Agency/Ministry of Climate Change. Now matter of approval of Building Control Sections of the civic body is on its last legs. Besides, ground work for IPO is also ready and soon after completion certificate is received, REIT Scheme will be launched. Now, pursuant to recent amendments in REIT Regulations whereby launch of REIT Scheme under Special Purpose Vehicle (SPV) model has been allowed, the Company has started exploring option to launch REIT Schemes under this model. Besides, the Company has also been prequalified by the Privatization Commission to submit financial proposal for acquisition of Jinnah Convention Centre Properties.

ISE Towers building has been enjoying consistent occupancy level which reflects the satisfaction level of our valuable tenants. The Company has been managing this asset through a team of professionals and top priority is given to the efficient functioning of both the towers in the building. The Company also arranged to carry out third party inspections regularly including environment, safety, electrical installation and for ISO certification etc. in order to provide safe and healthy environment to the occupants of the building. Further, on account of Covid-19 pandemic, the Company continued to maintain a safe environment for its tenants, employees, customers and visitors visiting our Towers.

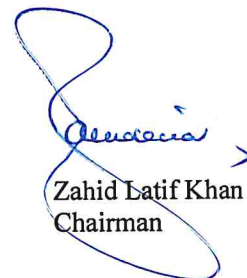
Acknowledgement

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
Acting Chief Executive Officer



Zahid Latif Khan
Chairman

Islamabad, October 28, 2021

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

**Unconsolidated Condensed Interim Financial Statements
For Three Month Ended September 30, 2021**

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UNCONSOLIDATED
AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) Sep 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,109,633	1,116,448
Intangible assets		717	835
Investment property	7	4,046,972	4,046,972
Long term investments	8	448,056	425,426
Long term security deposits and advances		14,704	14,704
Deferred tax		74,825	74,516
		<u>5,694,907</u>	<u>5,678,901</u>
CURRENT ASSETS			
Receivables	9	37,869	44,154
Advances, deposits and prepayments	10	6,937	3,572
Tax refund due from government - net	11	19,218	27,555
Short term investment	12	630,869	559,772
Cash and bank balances	13	39,721	64,320
		<u>734,614</u>	<u>699,373</u>
TOTAL ASSETS		<u><u>6,429,521</u></u>	<u><u>6,378,274</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital	14	3,671,870	3,671,870
Surplus on revaluation of property and equipment		367,626	369,294
Other reserves	15	2,206,335	2,117,988
		<u>6,245,831</u>	<u>6,159,152</u>
NON-CURRENT LIABILITIES			
Advances, deposits and other receipts		20,477	22,554
Deferred liabilities		16,560	15,646
		<u>37,037</u>	<u>38,200</u>
CURRENT LIABILITIES			
Accrued and other payables	16	55,327	62,268
Advances and deposits	17	78,305	104,447
Unclaimed dividend		13,021	14,207
		<u>146,653</u>	<u>180,922</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,429,521</u></u>	<u><u>6,378,274</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 THREE MONTHS ENDED SEPTEMBER 30, 2021

		September 30	
		2021	2020
		(Rupees in '000)	
Income	Note		
Operating income	19	75,913	68,425
Administrative expenses			
Depreciation / amortization		(10,138)	(8,870)
Other administrative expenses	20	(7,762)	(7,330)
		(17,900)	(16,200)
Other operating income	21	23,081	18,338
Financial charges		(19)	(20)
Operating profit		81,075	70,543
Share of profits from associated companies		16,659	13,460
Profit before taxation		97,734	84,003
Taxation		(17,024)	(15,294)
Profit after taxation		80,710	68,709
Earning per share - basic and diluted	22	0.22	0.19

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 THREE MONTHS ENDED SEPTEMBER 30, 2021

	Note	September 30	
		2021	2020
		(Rupees in '000)	
Profit after taxation		80,710	68,709
Other comprehensive income			
Items that may be reclassified subsequently to statement of profit or loss:			
Surplus on remeasurement of FVOCI investments	8.3	5,969	4,536
Total comprehensive income for the period		<u>86,679</u>	<u>73,245</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
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

		September 30, 2021	September 30, 2020
	Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	23	48,966	56,128
Gratuity paid		-	(357)
Compensated absences paid		-	(76)
Income tax paid		(8,998)	(9,101)
Net cash generated from operating activities		39,968	46,594
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(3,204)	(1,131)
Interest received		10,778	9,957
Investment made during the period - net		(70,045)	(89,438)
Net cash invested in investing activities		(62,471)	(80,612)
CASH FLOW FROM FINANCING ACTIVITIES			
Advances, deposits and other receipts		(2,077)	100
Financial charges paid		(19)	(20)
Net cash (used)/generated from financing activities		(2,096)	80
Net decrease in cash and cash equivalents		(24,599)	(33,938)
Cash and cash equivalents at beginning of the period		64,320	62,855
Cash and cash equivalents at end of the period		39,721	28,917

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 THREE MONTHS ENDED SEPTEMBER 30, 2021

	Capital reserve			Revenue reserves				Total	
	Issued, subscribed and paid up capital	Revaluation surplus on property and equipment	Reserve for replacement of fixed assets	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, 2020 (audited)	3,671,870	291,374	15,157	306,531	80,708	426	1,614,182	1,695,316	5,673,717
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	68,709	68,709	68,709
Amount collected for fixed asset replacement reserve	-	-	11,374	11,374	-	-	(11,374)	(11,374)	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(1,065)	-	(1,065)	-	-	1,065	1,065	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	4,536	-	-	4,536	4,536
Balance as at September 30, 2020 (unaudited)	3,671,870	290,309	26,531	316,840	85,244	426	1,672,582	1,758,252	5,746,962
Balance as at July 01, 2021 (audited)	3,671,870	369,294	66,997	436,291	92,389	426	1,958,176	2,050,991	6,159,152
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	80,710	80,710	80,710
Amount collected for fixed asset replacement reserve	-	-	12,762	12,762	-	-	(12,762)	(12,762)	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(1,668)	-	(1,668)	-	-	1,668	1,668	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	5,969	-	-	5,969	5,969
Balance as at September 30, 2021 (unaudited)	3,671,870	367,626	79,759	447,385	98,358	426	2,027,792	2,126,576	6,245,831

(Rupees in '000)

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 THREE MONTHS ENDED SEPTEMBER 30, 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 by virtue of having majority directors on the Board of Directors.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim financial statements of the Company for the three months ended September 30, 2021 have been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions or directives issued under the Companies Act, 2017 have been followed.

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, 2021. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2021 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 three months ended September 30, 2020.

These interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These interim financial statements have been prepared under the historical cost convention except for some operating fixed assets which have been stated at revalued amount, investment property at fair value, investments classified as fair value through other comprehensive income (FVTOCI) and employee benefits at present value.

These interim financial statements have been prepared following the accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

3 ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these interim financial statements, financial risk management objectives and policies and capital management policies are same as those applied in the preparation of financial statements for the year ended June 30, 2021.

4 TAXATION

The provision for taxation for the three months ended September 30, 2021 has been made using the effective tax rate applicable to expected total annual earnings.

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, 2021.

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	(Rupees in '000)	
6	PROPERTY AND EQUIPMENT		
	Operating assets	6.1 1,109,094	1,115,716
	Capital work in progress	6.2 539	732
		<u>1,109,633</u>	<u>1,116,448</u>

6.1 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 September 30, 2021														
Opening net book value (NBV)	655,306	327,473	4,452	4,741	-	108,595	5,743	115	1,811	3,169	1,610	2,316	385	1,115,716
Additions (at cost)	-	-	-	-	-	-	2,445	-	832	-	-	-	-	3,396
Depreciation charge	(2,124)	(2,964)	(226)	(248)	-	(3,260)	(425)	(14)	(269)	(154)	(65)	(194)	(75)	(10,018)
Net book value	653,182	324,509	4,226	4,493	-	105,335	7,763	101	2,374	3,015	1,545	2,122	429	1,109,094
Gross carrying value basis														
Period ended September 30, 2021														
Cost/revalued amount	655,306	327,473	70,006	156,685	5,521	130,464	15,919	12,118	7,325	7,479	3,293	3,879	3,803	1,399,271
Accumulated depreciation	(2,124)	(2,964)	(65,780)	(152,192)	(5,521)	(25,129)	(8,156)	(12,017)	(4,951)	(4,464)	(1,748)	(1,757)	(3,374)	(290,177)
Net book value	653,182	324,509	4,226	4,493	-	105,335	7,763	101	2,374	3,015	1,545	2,122	429	1,109,094
Net carrying value basis														
Period ended June 30, 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)	-	-	419	841	-	-	333	85	1,120	633	155	-	-	3,586
Transfers from CWIP	-	-	2,012	1,262	-	-	3,133	-	915	136	64	-	-	7,522
Disposals:	-	-	-	-	-	-	-	-	-	-	-	(709)	-	(709)
Cost	-	-	-	-	-	-	-	-	-	-	-	709	-	709
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment for the y	67,672	23,550	-	-	-	-	-	-	-	-	-	-	-	91,222
Depreciation charge	(7,534)	(10,656)	(888)	(859)	-	(13,042)	(1,193)	(42)	(1,096)	(570)	(260)	(776)	(302)	(37,218)
Net book value	655,306	327,473	4,452	4,741	-	108,595	5,743	115	1,811	3,169	1,610	2,316	385	1,115,716
Gross carrying value basis														
Period ended June 30, 2021														
Cost/revalued amount	595,168	314,579	70,006	156,685	5,521	130,464	13,474	12,118	6,493	7,479	3,293	3,879	3,684	1,322,843
Revaluation adjustment for the y	67,672	23,550	-	-	-	-	-	-	-	-	-	-	-	91,222
Accumulated depreciation	(7,534)	(10,656)	(65,554)	(151,944)	(5,521)	(21,869)	(7,731)	(12,003)	(4,682)	(4,310)	(1,683)	(1,563)	(3,299)	(298,349)
Net book value	655,306	327,473	4,452	4,741	-	108,595	5,743	115	1,811	3,169	1,610	2,316	385	1,115,716
Depreciation rate per annum	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	33%

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
6.2	Capital work in progress		
	Office renovation	34	-
	Security equipment	505	252
	Security systems	-	479
		<u>539</u>	<u>732</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, 2021. 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) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
8	LONG TERM INVESTMENTS		
	Long term investments-subsiary	9,969	9,969
	Long term investments-under equity method	287,810	271,149
	Long term investments-FVTOCI	150,277	144,308
		<u>448,056</u>	<u>425,426</u>
8.1	Investments in subsidiary		
	Digital Custodian Company Limited (DCCL)	9,969	9,969
8.2	Long term investments-under equity method		
	National Clearing Company of Pakistan Limited (NCCPL)	274,999	259,027
	Pakistan Mercantile Exchange Limited (PMEX)	12,811	12,122
		<u>287,810</u>	<u>271,149</u>
8.2.1	The balances of long term investments in PMEX have been presented based on the accounts for the year ended June 30, 2021.		
8.3	Long term investments- FVTOCI		
	Central Depository Company of Pakistan Limited	142,183	136,554
	VIS Credit Rating Company Limited (VIS)	8,094	7,754
		<u>150,277</u>	<u>144,308</u>
8.3.1	Central Depository Company of Pakistan Limited (CDCPL)		
	Investment - at cost	47,163	47,163
	Fair value adjustment	95,020	89,391
		<u>142,183</u>	<u>136,554</u>

8.3.1.1 The balances of long term investments in CDCPL have been presented based on the accounts for the year ended June 30, 2021.

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
8.3.2 VIS Credit Rating Company Limited (VIS)			
Investment - at cost		4,756	4,756
Fair value adjustment		3,338	2,998
		<u>8,094</u>	<u>7,754</u>
9 RECEIVABLES			
Considered good			
Rent Receivable		158	82
Receivable from building occupants	9.1	34,116	40,639
Due from sub lessee	9.2	500	500
Others		3,095	2,933
		<u>37,869</u>	<u>44,154</u>
Considered doubtful based on expected credit loss (ECL)		1,440	1,440
		<u>39,309</u>	<u>45,594</u>
Allowance for Expected Credit Losses		(1,440)	(1,440)
		<u>37,869</u>	<u>44,154</u>
9.1	This represents receivables from occupants of building on account of utilities and other maintenance services.		
9.2	This represents receivables from a party to whom office space in ISE Towers have been sold/sub leased.		
10 ADVANCES, DEPOSITS AND PREPAYMENTS			
Considered Good			
Advances to staff		581	429
Advances to contractors		4,610	2,594
Deposits and prepayments		1,746	549
Considered doubtful based on expected credit loss (ECL)		225	225
		<u>7,162</u>	<u>3,797</u>
Allowance for expected credit loss (ECL)		(225)	(225)
		<u>6,937</u>	<u>3,572</u>
11 TAX REFUND DUE FROM GOVERNMENT - NET			
Income tax - opening		27,555	35,842
Advance - Income tax paid during the period/year		8,998	57,167
		<u>36,553</u>	<u>93,009</u>
Provision for taxation for the period /year		(17,335)	(65,454)
Income tax - closing		<u>19,218</u>	<u>27,555</u>

12 SHORT TERM INVESTMENT

12.1 This represents investment in treasury bills (T-Bills) having maturity between October 21, 2021 to December 16, 2021 and carries yield rate ranging from 7.2% to 7.5% per annum (June 30, 2021: 7.13% to 7.42%).

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
13 CASH AND BANK BALANCES			
Cash at banks			
Savings account			
- Local currency	13.1	39,342	63,923
- Foreign currency (USD)		365	359
		<u>39,707</u>	<u>64,282</u>
Cash in hand		14	38
		<u>39,721</u>	<u>64,320</u>

13.1 Balances in PLS accounts carry effective interest rate of 5.5% (June 30, 2021: 5.5%) per annum.

14 SHARE CAPITAL

14.1 Authorized share capital

Authorized share capital represents 700,000,000 (June 30, 2021: 700,000,000) ordinary shares of Rs. 10 each amounting to Rs. 7,000,000,000 (June 30, 2021: 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)
30-Sep-21	30-Jun-21		September 30, 2021	June 30, 2021
			(Rupees in '000)	
<u>367,186,963</u>	<u>367,186,963</u>		<u>3,671,870</u>	<u>3,671,870</u>

15 OTHER RESERVES

Reserve for replacement of fixed assets	15.1	79,759	66,997
Surplus on remeasurement of fair value through OCI		98,358	92,389
Unrealized surplus on remeasurement of investments		426	426
Accumulated profit		<u>2,027,792</u>	<u>1,958,176</u>
		<u>2,206,335</u>	<u>2,117,988</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 by the tenants/occupants at a fixed rate determined by the Board. The Company also set aside/contribute equivalent amount to this reserve from its accumulated profit.

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees in '000)			
16	ACCRUED AND OTHER PAYABLES		
	Proceeds from sale of assets of members in default	14,973	15,321
	Payable to sub lessees	11,375	11,375
	Accrued liabilities	15,607	22,939
	Corporate social responsibility	5,716	5,575
	Other payables	7,656	7,058
		<u>55,327</u>	<u>62,268</u>
17	ADVANCES AND DEPOSITS		
	Advance rent	66,805	92,947
	Deposit from members against exposure and clearing house	970	970
	Retention money & security deposits	10,530	10,530
		<u>78,305</u>	<u>104,447</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, 2021.		
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, 2021.		
c)	Tax contingencies		
	There has been no significant change in the status of tax contingencies disclosed as at June 30, 2021.		
18.2	Commitments		
	There has been no significant change in the status of commitments disclosed as at June 30, 2021.		

	(Un-audited) September 30, 2021	(Un-audited) September, 30, 2020
Note	(Rupees in '000)	
19 OPERATING INCOME		
Rental income from investment property	73,562	66,466
Other rentals	2,351	1,959
	<u>75,913</u>	<u>68,425</u>
20 OTHER ADMINISTRATIVE EXPENSES		
Salaries and benefits	3,264	3,033
Travelling and lodging	119	36
Postage, telephone and fax	69	102
Printing and stationery	41	81
News papers, books and periodicals	14	9
Publicity and advertisements	8	44
Rent, rates and taxes	1,014	982
Legal and professional charges	688	619
Contract services	146	160
Repairs and maintenance	99	69
Meetings and entertainment	246	187
MIS / technology charges	109	77
Electricity, gas and water	999	1,010
Insurance	628	630
Corporate social responsibility	250	250
Miscellaneous	68	41
	<u>7,762</u>	<u>7,330</u>
21 OTHER OPERATING INCOME		
Income from financial assets:		
Profit on bank deposits & investment	11,802	8,051
Exchange gain/ (loss)	28	(5)
Income from non financial assets:		
Room transfer fee	807	603
Income from branding	224	441
Asset service charges from tenants/occupants	6,381	5,319
Others	3,839	3,929
	<u>23,081</u>	<u>18,338</u>
21.1 This includes car parking fee and split unit charges.		
22 EARNING PER SHARE -BASIC AND DILUTED		
Profit after tax (Rs in Thousand)	80,710	68,709
Weighted average number of ordinary shares (Number)	367,186,963	367,186,963
Basic and diluted earning per share (Rupees)	<u>0.22</u>	<u>0.19</u>

		(Un-audited) September 30, 2021	(Un-audited) September, 30, 2020
	Note	(Rupees in '000)	
23 CASH GENERATED FROM OPERATIONS			
Profit before taxation		97,734	84,003
<i>Adjustment for non-cash charges and other items:</i>			
Depreciation/amortization		10,138	8,870
Profit on bank deposits & investment		(11,802)	(8,051)
Exchange loss/(gain)		(28)	5
Share of profits from associated companies		(16,659)	(13,460)
Provision for gratuity		677	854
Provision for compensated absences		236	191
Financial charges		19	20
Working capital changes	23.1	<u>(31,349)</u>	<u>(16,304)</u>
		<u>48,966</u>	<u>56,128</u>
23.1 Changes in working capital			
Decrease / (increase) in current assets			
Advances, deposits and prepayments including long term advance		2,920	5,503
Increase / (decrease) in current liabilities			
Accrued and other payables		(6,941)	1,174
Advances and deposits		(26,142)	(22,780)
Unclaimed dividend		(1,186)	(201)
		<u>(31,349)</u>	<u>(16,304)</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:

		(Un-audited) September 30, 2021	(Un-audited) September, 30, 2020
	Note	(Rupees in '000)	
Transactions with associates			
Associate companies (related parties by virtue of common directorship)			
National Clearing Company of Pakistan Limited			
Opening Balance		289	-
Utility charges		929	767
Amount received against utility charges		920	519
Closing Balance		298	248
Pakistan Mercantile Exchange Limited (PMEX)			
Opening Balance		33	26
Utility charges		102	81
Amount received against utility charges		99	76
Closing Balance		36	30
Digital Custodian Company Limited (DCCL)			
Opening Balance		48	-
Rent received		180	-
Utility charges/ expenses		156	-
Amount received against utility charges		140	-
Closing Balance		53	-

	Note	(Un-audited) September 30, 2021 (Rupees in '000)	(Un-audited) September, 30, 2020
Transactions with directors			
Opening Balance		272	-
Utility charges/ Insurance/ Property Tax		1,364	697
Amount received against utility charges/ Insurance/ Property Tax		1,306	457
Closing Balance		330	240

24.1 Remuneration of chief executive officer, executives and directors

	September 30,		September 30,		September 30,		September 30,	
	2021	2020	2021	2020	2021	2020	2021	2020
	Directors		Acting-Chief Executive Officer		Executives		Total	
	(Rupees in '000)							
Managerial remuneration	-	-	1,109	924	732	610	1,841	1,534
Gratuity paid	-	-	-	300	-	1,134	-	1,434
Meeting fees	-	500	-	-	-	-	-	500
	-	500	1,109	1,224	732	1,744	1,841	3,468
Number of persons	10	10	1	1	1	1	12	12

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 three month period ended September 30, 2021, there were no transfers into or out of Level 3 fair value measurements.

As at September 30, 2021 and June 30, 2021 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 September 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Financial assets at fair value through Other comprehensive income	-	-	448,056	448,056
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through Other comprehensive income	-	-	425,426	425,426

- 25.2 The investment property was valued on June 30, 2021 carried out by external independent value M/s Asif Associates (Private) Limited.

As at September 30, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Assets			
Investment in property carried at fair value			
-	-	4,046,972	4,046,972
As at June 30, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Investment in property carried at fair value			
-	-	4,046,972	4,046,972

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)
	September 30, 2021	June 30, 2021
	(Rupees in '000)	
Opening balance (level 3 recurring fair values)	4,046,972	3,845,837
Fair value gain raised during the period/year	-	201,135
Closing balance (level 3 recurring fair values)	4,046,972	4,046,972

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, 2021 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.

25 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors has proposed final cash dividend for the year ended June 30, 2021 of Re. 0.60 per share amounting to Rs, 220.31 million in its meeting held on October 01, 2021 for approval of the members at annual general meeting to be held on Octoer 28, 2021.

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 _____.

28 GENERAL

Figures have been rounded off to the nearest thousand.


CHAIRMAN


CHIEF EXECUTIVE OFFICER