

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, 2022.

The Company registered a net profit of Rs. 97.20 million for the period ended September 30, 2022 with EPS of Re. 0.26 per share which is 18% higher than comparative period EPS of Re. 0.22. The operating revenue has been recorded at Rs. 87.41 million as compared to comparative figure of Rs. 75.92 million. Other income amounting to Rs. 41.45 million is 80% higher than the comparative figure of other income i.e., Rs 23.08 million. The increase is mainly on account of increase in profit on bank deposits & investments. Administrative expenses for the period have increased by 27% over the comparative period mainly on account of (i) annual increase in staff salaries and benefits (ii) Increase in legal & professional charges and (iii) increase in electricity, gas & water expenses etc.

The Balance sheet footing of September 30, 2022 remained strong i.e., at Rs. 6,763.20 million.

The Real Estate Investment Trust (REIT) sector has been showing continuous growth. The country's first developmental REIT offered its units for subscription in the PSX market. Subsequent to the reporting period, SECP has revamped the REIT Regulations and notified REIT Regulations, 2022 paving way for further development of REIT Sector. The Company has also been struggling to launch its first REIT i.e., ISE Towers REIT Scheme, being a pilot project. In this regard, necessary documentations have been submitted to the trustee and Securities and Exchange Commission of Pakistan. However, the approval was pending due to certain legal constraints including provisions of ICT Trust Act, 2020 which prohibits legal person to register the trust. Besides, the Company has also been evaluating potential REIT projects with both short term and long-term strategies. The matter of completion certificate of ISE Towers is also in process.

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 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.

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, December 22, 2022

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,156,475	1,160,044
Intangible assets		2,163	2,262
Investment property	7	4,155,638	4,155,638
Long term investments	8	465,540	446,523
Long term security deposits and advances		15,251	14,883
Deferred taxation		50,277	49,829
		<u>5,845,344</u>	<u>5,829,179</u>
CURRENT ASSETS			
Receivables	9	51,995	40,060
Advances, deposits and prepayments	10	8,259	7,523
Tax refund due from government - net	16	-	1,593
Short term investment	11	786,880	636,321
Cash and bank balances	12	70,699	154,359
		<u>917,833</u>	<u>839,856</u>
TOTAL ASSETS		<u><u>6,763,177</u></u>	<u><u>6,669,035</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital	13	3,671,870	3,671,870
Surplus on revaluation of property and equipment		414,008	416,066
Other reserves	14	2,428,203	2,323,664
		<u>6,514,081</u>	<u>6,411,600</u>
NON-CURRENT LIABILITIES			
Long term deposits		22,021	21,908
Deferred liabilities		20,651	19,439
		<u>42,672</u>	<u>41,347</u>
CURRENT LIABILITIES			
Accrued and other payables	15	55,986	53,387
Tax payable to government - net	16	6,124	-
Advances and deposits	17	124,204	142,591
Unclaimed dividend		20,110	20,110
		<u>206,424</u>	<u>216,088</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,763,177</u></u>	<u><u>6,669,035</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, 2022

		September 30	
		2022	2021
		(Rupees in '000)	
Income			
Operating income	19	87,408	75,913
Administrative expenses			
Depreciation / amortization		(11,038)	(10,138)
Other administrative expenses	20	(9,932)	(7,762)
		(20,970)	(17,900)
Other operating income	21	41,453	23,081
Financial charges		(18)	(19)
Operating profit		107,873	81,075
Share of profits from associated companies		13,732	16,659
Profit before taxation		121,605	97,734
Taxation		(24,407)	(17,024)
Profit after taxation		97,198	80,710
Earning per share - basic and diluted	22	0.26	0.22

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, 2022**

September 30	
2022	2021
(Rupees in '000)	

Profit after taxation	97,198	80,710
Other comprehensive income		
Items that may be reclassified subsequently to statement of profit or loss:		
Surplus on remeasurement of FVOCI investments	5,283	5,969
Total comprehensive income for the period	102,481	86,679

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, 2022

		September 30, 2022	September 30, 2021
	Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	23	61,177	42,681
Income tax paid		(17,139)	(8,998)
Net cash generated from operating activities		<u>44,038</u>	<u>33,683</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(7,371)	(3,204)
Interest received		26,580	10,778
Investment (made) during the period - net		(147,002)	(70,045)
Net cash invested in investing activities		<u>(127,793)</u>	<u>(62,471)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long term deposits		113	(2,077)
Financial charges paid		(18)	(19)
Net cash generated from /(used) in financing activities		<u>95</u>	<u>(2,096)</u>
Net decrease in cash and cash equivalents		<u>(83,660)</u>	<u>(30,884)</u>
Cash and cash equivalents at beginning of the period		<u>154,359</u>	<u>64,320</u>
Cash and cash equivalents at end of the period		<u><u>70,699</u></u>	<u><u>33,436</u></u>

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



CHAIRMAN



CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	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 June 30, 2021 (audited)	3,671,870	369,294	66,997	-	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 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
Balance as at June 30, 2022 (audited)	3,671,870	416,066	111,776	527,842	112,324	426	2,097,493	2,211,888	6,411,600
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	97,198	97,198	97,198
Amount collected for asset replacement reserve	-	-	12,819	12,819	-	-	(12,819)	(12,819)	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(2,058)	-	(2,058)	-	-	2,058	2,058	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	5,283	-	-	5,283	5,283
Balance as at September 30, 2022 (unaudited)	3,671,870	414,008	124,595	538,603	117,607	426	2,183,930	2,303,608	6,514,081

(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, 2022

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 then 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 under Real Estate Investment Trust Regulations (REIT), 2015.
- 1.5** The principal activities of the the Company is to launch and manage Real Estate Investment Trust 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** These are the condensed interim financial statements.

2 BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements of the Company for the three months ended September 30, 2022 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 (IAS 34)", 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 IAS 34, 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 audited financial statements for the year ended June 30, 2022.

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, 2022. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 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, 2021.

- 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, 2022. 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, 2022. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of September 30, 2022.

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 three months ended September 30, 2022 has been made using the effective tax rate applicable to expected total annual earnings.

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
Note	(Rupees in '000)	
6.1	1,151,416	1,158,804
6.2	5,059	1,240
	<u>1,156,475</u>	<u>1,160,044</u>

6 PROPERTY AND EQUIPMENT

Operating fixed assets	6.1	1,151,416	1,158,804
Capital work in progress	6.2	5,059	1,240
		<u>1,156,475</u>	<u>1,160,044</u>

6.1 OPERATING FIXED 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
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(Rupees in '000)

Net carrying value basis

Period ended September 30, 2022 - unaudited	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,803
Opening net book value (NBV)	-	-	-	-	-	-	-	-	-	755	546	-	-	1,301
Additions (at cost)	-	-	732	-	-	-	-	-	-	828	280	-	414	2,254
Transfer from CWIP	(2,155)	(3,364)	(335)	(248)	-	(3,260)	(532)	(11)	(309)	(190)	(82)	(364)	(92)	(10,942)
Depreciation charge	661,446	366,583	8,087	3,500	-	92,293	6,261	48	1,132	3,072	2,109	4,521	110	1,151,416
Net book value														

Gross carrying value basis

Period ended September 30, 2022 - unaudited	663,601	369,947	75,711	156,685	5,521	130,464	16,499	12,027	7,325	8,869	4,343	7,281	4,066	1,462,339
Cost/revalued amount	(2,155)	(3,364)	(66,892)	(153,185)	(5,521)	(38,171)	(10,238)	(11,979)	(6,193)	(4,969)	(1,954)	(2,760)	(3,542)	(310,923)
Accumulated depreciation	661,446	366,583	8,819	3,500	-	92,293	6,261	48	1,132	3,900	2,389	4,521	524	1,151,416
Net book value														

Net carrying value basis

Year ended June 30, 2022 - audited	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
Opening net book value (NBV)	-	-	2,226	-	-	-	1,146	-	353	-	310	3,402	119	7,556
Additions (at cost)	-	-	2,755	-	-	-	1,879	-	479	-	-	-	-	5,113
Transfers from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets written off	-	-	(841)	-	-	-	-	(90,73)	-	(192,51)	(85,62)	-	(150,73)	(528)
Cost	-	-	8,31	-	-	-	-	90,73	-	126,59	83,47	-	150,73	460
Accumulated depreciation	-	-	(0,10)	-	-	-	-	-	-	(66)	(2)	-	-	(68)
Revaluation adjustment for the year	16,696	53,957	-	-	-	-	-	-	-	-	-	-	-	70,654
Depreciation charge	(8,401)	(11,483)	(1,011)	(993)	-	(13,042)	(1,975)	(56)	(1,202)	(596)	(272)	(833)	(302)	(40,166)
Net book value	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,646	4,885	202	1,158,804

Gross carrying value basis

Year ended June 30, 2022 - audited	655,306	327,473	74,979	156,685	5,521	130,464	16,499	12,027	7,325	7,286	3,517	7,281	3,652	1,408,015
Cost/revalued amount	16,696	53,957	-	-	-	-	-	-	-	-	-	-	-	70,654
Revaluation adjustment for the year	(8,401)	(11,483)	(66,557)	(152,937)	(5,521)	(34,911)	(9,706)	(11,968)	(5,884)	(4,779)	(1,872)	(2,396)	(3,450)	(319,865)
Accumulated depreciation	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804
Net book value														
Depreciation rate per annum	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	

6.1.1 Lease hold land of the Company is located at Plot no. 55-B (old # 3035), Jinnah Avenue, Blue area, Islamabad, Pakistan with an area of 1659 sq. yds.

6.2 Capital work in progress-CWIP

Description	Balance as on July 01, 2022	Additions	Transfer to operating fixed assets	Balance as on Sep 30, 2022
	------(Rupees in '000')-----			
Office renovation	736	125	861	-
Electrical equipments	-	732	732	-
HVAC equipment		1,098	-	1,098
Office equipment		280	280	-
Security equipment	-	2,784	-	2,784
Smoke venting system	504	673	-	1,177
Computers & accessories		414	414	-
Grand Total	1,240	6,106	2,287	5,059

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 out by approved independent valuer Asif Associates (Private) Limited on June 30, 2022. 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)
		September 30, 2022	June 30, 2022
(Rupees in '000)			
8 LONG TERM INVESTMENTS			
Long term investments-under equity method	8.1	296,013	282,280
Long term investments-FVTOCI	8.2	169,527	164,243
		<u>465,540</u>	<u>446,523</u>
8.1 Long term investments-under equity method			
National Clearing Company of Pakistan Limited (NCCPL)		255,466	248,492
Pakistan Mercantile Exchange Limited (PMEX)		28,954	22,195
Digital Custodian Company Limited (DCCL)		11,593	11,593
		<u>296,013</u>	<u>282,280</u>

8.2.1 The balances of long term investments in DCCL have been presented based on the accounts for the year ended June 30, 2022.

	Note	(Un-audited)	(Audited)
		September 30, 2022	June 30, 2022
(Rupees in '000)			
8.2 Long term investments- FVTOCI			
Central Depository Company of Pakistan Limited	8.2.1	159,828	154,854
VIS Credit Rating Company Limited	8.2.2	9,699	9,389
	8.3.3	<u>169,527</u>	<u>164,243</u>

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
	Note	(Rupees in '000)	
8.2.1	Central Depository Company of Pakistan Limited (CDC)		
	Investment - at cost	47,163	47,163
	Fair value adjustment	112,665	107,691
		<u>159,828</u>	<u>154,854</u>
8.2.2	VIS Credit Rating Company Limited (VIS)		
	Investment - at cost	4,756	4,756
	Fair value adjustment	4,943	4,633
		<u>9,699</u>	<u>9,389</u>
9	RECEIVABLES		
	Considered good		
	Rent Receivable	740	110
	Receivable from building occupants	38,782	27,840
	Receivable from REIT scheme	9,114	8,940
	Due from sub lessee	500	500
	Others	2,859	2,670
		<u>51,995</u>	<u>40,060</u>
	Considered doubtful based on expected credit loss (ECL)	1,255	1,255
		<u>53,250</u>	<u>41,315</u>
	Allowance for Expected Credit Losses	(1,255)	(1,255)
		<u>51,995</u>	<u>40,060</u>

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

9.2 This represents receivables from a party to whom office space in ISE Towers have been sold/sub leased.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		(Rupees in '000)	
10	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Considered Good		
	Advances to staff	1,313	877
	Advances to contractors	3,817	3,895
	Deposits and prepayments	3,129	2,750
	Considered doubtful based on expected credit loss (ECL)	225	225
		<u>8,484</u>	<u>7,747</u>
	Allowance for expected credit loss (ECL)	(225)	(225)
		<u>8,259</u>	<u>7,523</u>

14.1 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) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
15 ACCRUED AND OTHER PAYABLES		
Payable on account of securities brokers in default	18,003	18,006
Payable to sub lessees	11,375	11,375
Accrued liabilities	15,036	14,175
Corporate social responsibility	6,204	6,452
Other payables	5,368	3,379
	<u>55,986</u>	<u>53,387</u>
16 TAX REFUND DUE FROM GOVERNMENT - NET		
Income tax - opening	(1,593)	27,555
Advance - Income tax paid during the period/year	(17,139)	73,454
	<u>(18,732)</u>	<u>101,009</u>
Provision for taxation for the period /year	24,856	(99,416)
Income tax - closing	6,124	1,593
	<u>6,124</u>	<u>1,593</u>
17 ADVANCES AND DEPOSITS		
Advance rent	112,826	131,213
Deposit from members against exposure and clearing house	970	970
Retention money & security deposits	10,408	10,408
	<u>124,204</u>	<u>142,591</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, 2022.		
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, 2022.		

c) **Tax contingencies**

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2022.

18.2 Commitments

There has been no significant change in the status of commitments disclosed as at June 30, 2022.

		Three months ended	
		September 30,	
		2022	2021
		(Rupees in '000)	
19 OPERATING INCOME			
Rental income from investment property		85,367	73,562
Other rentals		2,041	2,351
		<u>87,408</u>	<u>75,913</u>
20 OTHER ADMINISTRATIVE EXPENSES			
Salaries and benefits		4,000	3,264
Directors' remuneration		250	-
Travelling and lodging		237	119
Postage, telephone and fax		105	69
Printing and stationery		167	41
News papers, books and periodicals		16	14
Publicity and advertisements		-	8
Rent, rates and taxes		983	1,014
Legal and professional charges		1,248	688
Contract services		57	146
Repairs and maintenance		39	99
Meetings and entertainment		343	246
MIS / technology charges		163	109
Electricity, gas and water		1,262	999
Insurance		646	628
Real estate agent fee		103	-
Corporate social responsibility		250	250
Miscellaneous		63	68
		<u>9,932</u>	<u>7,762</u>
21 OTHER OPERATING INCOME			
Income from financial assets:			
Profit on bank deposits & investment		30,084	11,802
Exchange gain		53	28
Income from non financial assets:			
Room transfer fee		-	807
Income from branding		271	224
Asset service charges from tenants/occupants		6,409	6,381
Others	21.1	4,636	3,839
		<u>41,453</u>	<u>23,081</u>

21.1 This includes car parking fee and split unit charges.

22 EARNING PER SHARE -BASIC AND DILUTED		97,198,000	80,710,000
Profit after tax (Rs.)			
Weighted average number of ordinary shares (Number)		367,186,963	367,186,963
Basic and diluted earning per share (Rupees)		0.26	0.22
(Un-audited)			
		September 30, 2022	September 30, 2021
		(Rupees in '000)	
23 CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		121,605	97,734
<i>Adjustment for non-cash charges and other items:</i>			
Depreciation/amortization		11,038	10,138
Profit on bank deposits & investment		(30,084)	(11,802)
Exchange gain		(53)	(28)
Share of profits from associated companies		(13,732)	(16,659)
Provision for gratuity		994	677
Provision for compensated absences		218	236
Financial charges		18	19
Working capital changes		(28,827)	(37,634)
		61,177	42,681
23.1 Changes in working capital			
Decrease / (increase) in current assets			
Receivables		(11,935)	6,285
Advances, deposits and prepayments including long term advance		(1,104)	(3,365)
Increase / (decrease) in current liabilities			
Accrued and other payables		2,599	(6,941)
Advances and deposits		(18,387)	(26,142)
Unclaimed dividend		-	(1,186)
		(28,827)	(37,634)
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:			
		September 30, 2022	September 30, 2021
		(Rupees in '000)	
Transactions with associates			
Associate companies (related parties by virtue of common directorship)			
National Clearing Company of Pakistan Limited			
Utility charges		834	929
Amount received against utility charges		777	920
Pakistan Mercantile Exchange Limited (PMEX)			
Utility charges		132	102
Amount received against utility charges		123	99

Digital Custodian Company Limited

Utility/ rent charges	-	336
Amount received against utility/ rent charges	-	140

Transactions with directors

Utility charges	898	1,364
Amount received against utility charges	822	1,306

24.1 Remuneration of chief executive officer, executives and directors

	September 30,		September 30,		September 30,		September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
	Directors		Chief Executive Officer		Executives		Total	
	(Rupees in '000)							
Managerial remuneration	-	-	1,403	1,109	910	732	2,313	1,841
Gratuity paid	-	-	-	-	-	-	-	-
Meeting fees	250	-	-	-	-	-	250	-
	250	-	1,403	1,109	910	732	2,563	1,841
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, 2022, there were no transfers into or out of Level 3 fair value measurements.

As at September 30, 2022 and June 30, 2022 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, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Financial assets at fair value through Other comprehensive income	-	-	169,527	169,527

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Financial assets at fair value through Other comprehensive income	-	-	164,243	164,243
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25.2 The investment property was valued on June 30, 2022 carried out by external independent valuer M/s Asif Associates (Private) Limited.

As at September 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Assets

Investment in property carried at fair value

-	-	4,155,638	4,155,638
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As at June 30, 2022			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Investment in property carried at fair value

-	-	4,155,638	4,155,638
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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:

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(Rupees in '000)	
Opening balance (level 3 recurring fair values)	4,155,638	4,046,972
Fair value gain raised during the period/year	-	108,666
Closing balance (level 3 recurring fair values)	4,155,638	4,155,638

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, 2022 by independent valuer M/s Asif Associates (Private) Limited on the basis of market value. The fair value of free hold land and buildings is a level 3 recurring fair value measurement.

26 CORRESPONDING FIGURES

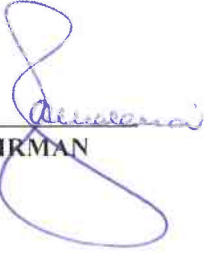
The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation.

27 **DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on _____.

28 **GENERAL**

Figures have been rounded off to the nearest thousand rupee.



CHAIRMAN



CHIEF EXECUTIVE OFFICER