

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

**Condensed Interim Financial Statements
For Nine Months Ended March 31, 2022**

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,092,760	1,116,448
Intangible assets		2,359	835
Investment property	7	4,046,972	4,046,972
Long term investments	8	448,007	425,426
Long term security deposits and advances		14,704	14,704
Deferred taxation		75,416	74,516
		<u>5,680,218</u>	<u>5,678,901</u>
CURRENT ASSETS			
Receivables	9	31,416	44,154
Advances, deposits and prepayments	10	8,990	3,572
Tax refund due from government - net	11	12,039	27,555
Short term investment	12	558,928	559,772
Cash and bank balances	13	82,881	64,320
		<u>694,254</u>	<u>699,373</u>
TOTAL ASSETS		<u><u>6,374,472</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		364,367	369,294
Other reserves	15	2,168,548	2,117,988
		<u>6,204,785</u>	<u>6,159,152</u>
NON-CURRENT LIABILITIES			
Long term deposits		21,133	22,554
Deferred liabilities		17,959	15,646
		<u>39,092</u>	<u>38,200</u>
CURRENT LIABILITIES			
Accrued and other payables	16	56,286	62,268
Advances and deposits	17	57,368	104,447
Unclaimed dividend		16,941	14,207
		<u>130,595</u>	<u>180,922</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,374,472</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 NINE MONTHS ENDED MARCH 31, 2022

	Note	Nine months ended March 31,		Three months ended March 31,	
		2022	2021	2022	2021
		(Rupees in '000)			
Income					
Operating income	19	231,320	210,068	78,093	72,077
Administrative expenses					
Depreciation / amortization		(30,274)	(28,177)	(10,122)	(9,411)
Other administrative expenses	20	(29,748)	(25,970)	(10,252)	(8,760)
		(60,022)	(54,147)	(20,374)	(18,171)
Other operating income	21	82,438	65,775	31,015	24,383
Financial charges		(47)	(45)	(8)	(9)
Operating profit		253,689	221,651	88,726	78,280
Share of profits from associated companies		67,718	49,175	37,146	19,393
Profit before taxation		321,407	270,826	125,872	97,673
Taxation		(60,986)	(49,505)	(20,966)	(18,301)
Profit after taxation		260,421	221,321	104,906	79,372
Earning per share - basic and diluted	22	0.71	0.60	0.29	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 NINE MONTHS ENDED MARCH 31, 2022

	Nine months ended March 31,		Three months ended March 31,	
	2022	2021	2022	2021
	(Rupees in '000)			
Profit after taxation	260,421	221,321	104,906	79,372
Other comprehensive income				
Items that may be reclassified subsequently to statement of profit or loss:				
Surplus on remeasurement of FVOCI investments	5,524	10,790	(682)	6,395
Total comprehensive income for the period	<u>265,945</u>	<u>232,111</u>	<u>104,224</u>	<u>85,767</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 NINE MONTHS ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021	
Note	(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	23	191,903	171,228
Gratuity paid		(341)	(2,840)
Compensated absences paid		(85)	(827)
Income tax paid		(46,373)	(36,217)
Net cash generated from operating activities		<u>145,104</u>	<u>131,344</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(8,111)	(6,513)
Proceeds from sale of operating fixed assets		-	412
Interest received		34,779	27,634
Investment in subsidiary company		-	(9,969)
Investment encashed /(made) during the period - net		3,532	(54,225)
Dividend received		62,303	22,674
Net cash generated from/ (invested) in investing activities		<u>92,503</u>	<u>(19,987)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long term deposits		(1,421)	2,858
Dividend paid		(217,578)	(119,017)
Financial charges paid		(47)	(45)
Net cash used in financing activities		<u>(219,046)</u>	<u>(116,204)</u>
Net increase/ (decrease) in cash and cash equivalents		<u>18,561</u>	<u>(4,847)</u>
Cash and cash equivalents at beginning of the period		<u>64,320</u>	<u>62,855</u>
Cash and cash equivalents at end of the period		<u><u>82,881</u></u>	<u><u>58,008</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 NINE MONTHS ENDED MARCH 31, 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
----- (Rupees in '000) -----									
Balance as at June 30, 2020 (audited)	3,671,870	291,373	15,157	306,530	80,708	426	1,614,182	1,695,316	5,673,716
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	-	221,321	221,321	221,321
Amount collected for asset replacement reserve	-	-	35,576	35,576	-	-	(35,576)	(35,576)	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(4,617)	-	(4,617)	-	-	4,617	4,617	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	10,790	-	-	10,790	10,790
Transaction with owners									
Final cash dividend for the year ended June 30, 2020 at Rs. 0.33 per share	-	-	-	-	-	-	(121,172)	(121,172)	(121,172)
Balance as at March 31, 2021 (unaudited)	3,671,870	286,756	50,733	337,489	91,498	426	1,683,372	1,775,296	5,784,655
Balance as at June 30, 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	-	-	-	-	-	-	260,421	260,421	260,421
Amount collected for asset replacement reserve	-	-	41,004	41,004	-	-	(41,004)	(41,004)	-
Amount utilized from fixed assets replacement reserve	-	-	(3,538)	(3,538)	-	-	3,538	3,538	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(4,927)	-	(4,927)	-	-	4,927	4,927	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	5,524	-	-	5,524	5,524
Transaction with owners									
Final cash dividend for the year ended June 30, 2021 at Rs. 0.60 per share	-	-	-	-	-	-	(220,312)	(220,312)	(220,312)
Balance as at March 31, 2022 (unaudited)	3,671,870	364,367	104,463	468,830	97,913	426	1,965,746	2,064,085	6,204,785

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 NINE MONTHS ENDED MARCH 31, 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 The Company has a subsidiary in the name of "Digital Custodian Company Limited (DCCL)" formerly MCB Financial Services Limited.
- 1.7 These are the unconsolidated 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, 2021 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 financial statements for the year ended June 30, 2021.

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, 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 nine months ended March 31, 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, 2021. 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, 2021. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of March 31, 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 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, 2021.

The provision for taxation for the nine months ended March 31, 2022 has been made using the effective tax rate applicable to expected total annual earnings.

6 PROPERTY AND EQUIPMENT

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	(Rupees in '000)	
Operating assets	6.1	1,089,695	1,115,716
Capital work in progress	6.2	3,065	732
		<u>1,092,760</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 March 31, 2022														
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)	-	-	-	-	-	-	978	-	353	-	281	-	119	1,731
Transfer from CWIP	-	-	-	-	-	-	1,728	-	479	-	-	-	-	2,207
Depreciation charge	(6,301)	(8,612)	(667)	(745)	-	(9,781)	(1,448)	(43)	(893)	(451)	(203)	(582)	(233)	(29,959)
Net book value	649,005	318,861	3,785	3,996	-	98,814	7,001	72	1,750	2,718	1,688	1,734	271	1,089,695
Gross carrying value basis														
Period ended March 31, 2022														
Cost/revalued amount	655,306	327,473	70,006	156,685	5,521	130,464	16,180	12,118	7,325	7,479	3,574	3,879	3,803	1,399,813
Accumulated depreciation	(6,301)	(8,612)	(66,221)	(152,689)	(5,521)	(31,650)	(9,179)	(12,046)	(5,575)	(4,761)	(1,886)	(2,145)	(3,532)	(310,118)
Net book value	649,005	318,861	3,785	3,996	-	98,814	7,001	72	1,750	2,718	1,688	1,734	271	1,089,695
Net carrying value basis														
Year 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:														
Cost	-	-	-	-	-	-	-	-	-	-	-	(709)	-	(709)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	709	-	709
Revaluation adjustment for the year	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														
Year 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 year	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%	

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 1917 sq. yds.

6.2 Capital work in progress-CWIP

Description	Balance as on July 01, 2021	Additions	Transfer to operating assets	Balance as on Mar 31, 2022
(Rupees in '000')				
Office renovation	-	34	-	34
Electrical equipments	-	2,527	-	2,527
Security equipment	-	1,728	1,728	-
Smoke venting system	252	252	-	504
Security systems	479	-	479	-
Grand Total	732	4,541	2,207	3,065

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, 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 valuation during the period.

Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
(Rupees in '000)		
8 LONG TERM INVESTMENTS		
Long term investments-subsiary	8.1 9,969	9,969
Long term investments-under equity method	8.2 288,205	271,148
Long term investments-FVTOCI	8.3 149,833	144,309
	<u>448,007</u>	<u>425,426</u>
8.1 Investments in subsidiary		
Digital Custodian Company Limited (DCCL)	8.1.1 9,969	9,969
	<u>9,969</u>	<u>9,969</u>
8.1.1	The company has acquired 10% of shares of Digital Custodian Company Limited (DCCL) as of November 20, 2020 with effective from October 31, 2020. By virtue of majority directors on Board of DCCL as per Co-Purchase Agreement between DCCL and co-purchaser Info Tech Pvt Ltd, the investment has been categorized as investment in subsidiary.	
	(Un-audited) March 31, 2022	(Audited) June 30, 2021
(Rupees in '000)		
8.2 Long term investments-under equity method		
National Clearing Company of Pakistan Limited (NCCPL)	274,155	259,026
Pakistan Mercantile Exchange Limited (PMEX)	14,050	12,122
	8.2.1 <u>288,205</u>	<u>271,148</u>
8.2.1	The balances of long term investments-under equity method of PMEX have been presented based on management accounts for the six month ended December 31, 2021 respectively	

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
(Rupees in '000)			
8.3 Long term investments- FVTOCI			
Central Depository Company of Pakistan Limited	8.3.1	141,310	136,554
VIS Credit Rating Company Limited	8.3.2	8,523	7,755
	8.3.3	<u>149,833</u>	<u>144,309</u>
8.3.1 Central Depository Company of Pakistan Limited (CDC)			
Investment - at cost		47,163	47,163
Fair value adjustment		94,147	89,391
		<u>141,310</u>	<u>136,554</u>
8.3.2 VIS Credit Rating Company Limited (VIS)			
Investment - at cost		4,756	4,756
Fair value adjustment		3,767	2,999
		<u>8,523</u>	<u>7,755</u>

8.3.3 The balances of long term investments of VIS have been presented on management accounts for the six month ended December 31, 2021 respectively.

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
(Rupees in '000)			
9 RECEIVABLES			
Considered good			
Rent Receivable		113	82
Receivable from building occupants	9.1	22,447	40,639
Receivable from REIT scheme		5,643	-
Due from sub lessee	9.2	500	500
Others		2,713	2,933
		<u>31,416</u>	<u>44,154</u>
Considered doubtful based on expected credit loss (ECL)		1,420	1,440
		<u>32,836</u>	<u>45,594</u>
Allowance for Expected Credit Losses		(1,420)	(1,440)
		<u>31,416</u>	<u>44,154</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) March 31, 2022	(Audited) June 30, 2021
	(Rupees in '000)	
10 ADVANCES, DEPOSITS AND PREPAYMENTS		
Considered Good		
Advances to staff	462	429
Advances to contractors	6,141	2,594
Deposits and prepayments	2,387	549
Considered doubtful based on expected credit loss (ECL)	225	225
	<u>9,215</u>	<u>3,797</u>
Allowance for expected credit loss (ECL)	(225)	(225)
	<u>8,990</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	46,373	57,167
	<u>73,928</u>	<u>93,009</u>
Provision for taxation for the period /year	(61,889)	(65,454)
Income tax - closing	<u>12,039</u>	<u>27,555</u>

12 SHORT TERM INVESTMENT

This represents investment in treasury bills (T-Bills) having maturity between April 07, 2022 to June 16, 2022 and carries yield rate ranging from 10.37% to 10.99% per annum (June 30, 2021: 7.31% to 7.37%).

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
	(Rupees in '000)	
13 CASH AND BANK BALANCES		
Cash at banks		
Savings account		
- Local currency	82,395	63,923
- Foreign currency (USD)	416	359
	<u>82,811</u>	<u>64,282</u>
Cash in hand	70	38
	<u>82,881</u>	<u>64,320</u>

13.1 Balances in PLS accounts carry effective interest rate is 8.25% (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		(Un-audited) March 31, 2022	(Audited) June 30, 2021
31-Mar-22	30-Jun-21	(Rupees in '000)	
<u>367,186,963</u>	<u>367,186,963</u>	<u>3,671,870</u>	<u>3,671,870</u>

Ordinary shares issued
for consideration other
than cash.

15 OTHER RESERVES

Capital reserve			
- Fixed asset replacement reserve	15.1	104,463	66,997
Revenue reserves		2,064,085	2,050,991
		<u>2,168,548</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 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) March 31, 2022	(Audited) June 30, 2021
(Rupees in '000)	

16 ACCRUED AND OTHER PAYABLES

Payable on account of securities brokers in default	18,006	15,321
Payable to sub lessees	11,375	11,375
Accrued liabilities	14,385	22,939
Corporate social responsibility	6,207	5,575
Other payables	6,313	7,058
	<u>56,286</u>	<u>62,268</u>

17 ADVANCES AND DEPOSITS

Advance rent	45,990	92,947
Deposit from members against exposure and clearing house	970	970
Retention money & security deposits	10,408	10,530
	<u>57,368</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

Company's commitments for capital expenditure are Rs. 17.07 million (June 30, 2021: Rs. 23.17 million)

	Nine months ended		Three months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	(Rupees in '000)			
19 OPERATING INCOME				
Rental income from investment property	224,318	204,075	75,792	70,041
Other rentals	7,002	5,993	2,301	2,036
	231,320	210,068	78,093	72,077
20 OTHER ADMINISTRATIVE EXPENSES				
Salaries and benefits	10,557	9,089	4,015	3,028
Directors' remuneration	3,350	1,800	1,450	950
Travelling and lodging	414	176	148	71
Postage, telephone and fax	412	364	120	117
Printing and stationery	913	603	68	58
News papers, books and periodicals	50	36	14	14
Publicity and advertisements	16	44	-	-
Rent, rates and taxes	3,055	1,523	1,011	541
Legal and professional charges	2,834	4,233	1,039	704
Auditors' remuneration	178	197	-	-
Contract services	332	511	59	169
Repairs and maintenance	181	299	9	102
Meetings and entertainment	1,135	666	541	237
MIS / technology charges	412	423	150	251
Electricity, gas and water	2,556	2,875	770	1,350
Insurance	1,808	1,901	561	673
Real estate agent fee	470	238	-	238
Corporate social responsibility	750	750	250	250
Miscellaneous	325	242	47	7
	29,748	25,970	10,252	8,760
21 OTHER OPERATING INCOME				
Income from financial assets:				
Profit on bank deposits & investment	37,410	24,355	13,809	8,058
Exchange gain / (loss)	57	(16)	16	-
Dividend received	11,638	5,113	5,675	250
Income from non financial assets:				
Gain on disposal of operating fixed assets	-	412	-	412
Room transfer fee	1,453	3,721	445	2,371
Income from branding	1,579	1,689	682	491
Asset service charges from tenants/occupants	19,134	17,788	6,271	7,147
Others	11,167	12,713	4,117	5,654
	82,438	65,775	31,015	24,383

21.1 This mainly includes car parking fee amounting to Rs. 7.27 million (March 31, 2021 Rs. 6.831) and split unit charges amounting Rs. 3.047 million. (March 31, 2021 Rs. 2.635).

22 EARNING PER SHARE -BASIC AND DILUTED				
Profit after tax (Rs.)	260,421,000	221,321,000	104,906,000	79,372,000
Weighted average number of ordinary shares (Number	367,186,963	367,186,963	367,186,963	367,186,963
Basic and diluted earning per share (Rupees)	0.71	0.60	0.29	0.22
			(Un-audited) March 31, 2022	(Un-audited) March, 31, 2021
			(Rupees in '000)	
23 CASH GENERATED FROM OPERATIONS				
Profit before taxation			321,407	270,826
<i>Adjustment for non-cash charges and other items:</i>				
Depreciation/amortization			30,274	28,177
Profit on bank deposits & investment			(37,410)	(24,355)
Exchange (gain)/ loss			(57)	16
Dividend income			(11,638)	(5,113)
Gain on sale of operating assets			-	(412)
Share of profits from associated companies			(67,718)	(49,175)
Provision for gratuity			2,030	2,277
Provision for compensated absences			709	510
Financial charges			47	45
Working capital changes	23.1		(45,741)	(51,568)
			191,903	171,228
23.1 Changes in working capital				
Decrease / (increase) in current assets				
Receivables			12,738	8,684
Advances, deposits and prepayments including long term advance			(5,418)	54
Increase / (decrease) in current liabilities				
Accrued and other payables			(5,982)	(5,878)
Advances and deposits			(47,079)	(54,428)
			(45,741)	(51,568)
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:				
			March 31, 2022	March, 31, 2021
			(Rupees in '000)	
Transactions with associates				
Associate companies (related parties by virtue of common directorship)				
National Clearing Company of Pakistan Limited				
Utility charges			2,234	2,178
Amount received against utility charges			2,015	2,160
Dividend received			50,665	17,561

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
Pakistan Mercantile Exchange Limited (PMEX)		
Utility charges	295	257
Amount received against utility charges	262	250
Digital Custodian Company Limited		
Utility/ rent charges	375	33
Amount received against utility/ rent charges	338	-
Transactions with directors		
Utility charges	3,501	2,076
Amount received against utility charges	3,357	2,003

24.1 Remuneration of chief executive officer, executives and directors

	March 31,		March 31,		March 31,		March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
	Directors		Chief Executive Officer		Executives		Total	
	(Rupees in '000)							
Managerial remuneration	-	-	3,726	2,957	2,415	1,952	6,141	4,909
Gratuity paid	-	-	-	-	-	-	-	-
Meeting fees	3,350	1,800	-	-	-	-	3,350	1,800
	3,350	1,800	3,726	2,957	2,415	1,952	9,491	6,709
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 nine month period ended March 31, 2022, there were no transfers into or out of Level 3 fair value measurements.

As at March 31, 2022 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 March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets	(Rupees in '000)			
Financial assets at fair value through Other comprehensive income	-	-	149,833	149,833

	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through Other comprehensive income	-	-	144,309	144,309

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

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets	(Rupees in '000)			
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:

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
	(Rupees in '000)	
Opening balance (level 3 recurring fair values)	4,046,972	3,743,586
Fair value gain raised during the period/year	-	102,251
Closing balance (level 3 recurring fair values)	4,046,972	3,845,837

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

The Company has revalued its leasehold land and 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.

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 April 28, 2022.

28 GENERAL

Figures have been rounded off to the nearest thousand rupee.



CHAIRMAN

CHIEF EXECUTIVE OFFICER