



LSE Financial Services Ltd.

Directors' Report

Dear Shareholders,

The Board of Directors is pleased to present its report along with the unaudited accounts of your Company for the 1st quarter period ended September 30, 2021:

Financial Highlights	Sep-21 Rs. In 000's	Sep-20 Rs. in 000's
Revenue	38,075	38,205
Share of profit of Associates-net of tax	60,922	49,373
Total Revenue	98,997	87,578
Expenditure	(26,842)	(23,530)
Profit before Taxation	72,155	64,048
Taxation	11,815	11,448
Net Profit for the period	60,340	52,600
Earnings Per Share (EPS)	0.47	Rs. 0.41

PERFORMANCE REVIEW

During the 1st quarter ended on September 30, 2021, LSEFSL earned total revenue of Rs 98.997 million including share of profit of Associates, as compared to Rs. 87.578 million last year's comparative period, i.e., an increase of 11.419 million or 13.03%. The revenue was generated from rent, profit from bank deposits, investments, income from MTS, share of profits from the Associated Companies and other income. The administrative expenses were Rs. 26.842 million, i.e., up by Rs. 3.312 million or 14% from last year's comparative period. The Company earned a profit before taxation of Rs. 72.155 million for the period under review, which is higher by Rs. 8.107 million or 12.65%, as compared to corresponding period. Furthermore, profit after tax is up by Rs. 7.740 million or 14.71% from last year's comparative period and has reached Rs. 60.340 million.

Earnings per Share- (Basic & Diluted) for the period ended September 30, 2021 was recorded as Rs. 0.47 per share against Rs. 0.41 per share last year, which is increased by Rs. 0.06 or 14.63%. Further, the net asset value of the share is Rs. 24.80/-

For and on behalf of the Governing Board of Directors of LSEFSL,

Chief Executive/Managing Director

Director


LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 <u>Un-Audited</u>(Rupees in '000s).....	June 30, 2021 <u>Audited</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,261,657	1,266,706
Investment property - at fair value		378,431	378,431
Investment accounted for using the equity method	6	1,176,527	1,115,605
Net investment in finance lease		4,281	4,281
Long term deposits	7	1,474	1,474
		2,822,370	2,766,497
CURRENT ASSETS			
Stores and spares		1,006	1,765
Trade and other receivables	8	10,970	9,473
Advances and prepayments	9	3,872	2,471
Financial assets	10	515,642	507,136
Advance income tax	11	39,286	39,770
Cash and bank balances	12	84,230	79,824
		655,006	640,439
		3,477,376	3,406,936
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	13	1,282,842	1,282,842
Capital reserves			
Revaluation surplus on property, plant and equipment		776,227	776,227
		776,227	776,227
Revenue reserves			
Building Reserve fund		1,425	1,425
Unappropriated profit		1,120,998	1,060,658
		1,122,423	1,062,083
		3,181,492	3,121,152
NON-CURRENT LIABILITIES			
Long Term Finance	14	7,602	6,157
Deferred taxation		135,575	127,697
		143,177	133,854
CURRENT LIABILITIES			
Trade and other payables	15	101,933	99,646
Current Portion of long term finance		1,924	1,539
Unpaid dividend		26,460	26,460
Unclaimed dividend		6,317	7,917
		136,634	135,562
Deposits Payable related to discontinued operations		16,073	16,368
		3,477,376	3,406,936

The annexed notes 1 to 27 form an integral part of these financial statements.

Lahore


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Quarter ended	
		September 30, 2021 Un-Audited (Rupees in '000s)	September 30, 2020 Un-Audited
CONTINUING OPERATIONS			
REVENUE			
Income from margin trading system	16	11,214	9,577
Rental income	17	11,892	12,084
Other income	18	14,969	16,544
		<u>38,075</u>	<u>38,205</u>
OPERATING EXPENSES			
Administrative and general expenses	19	(26,747)	(23,508)
OPERATING PROFIT			
Finance cost		(95)	(22)
Share of profit of associates - net of tax	6	60,922	49,373
PROFIT BEFORE TAXATION			
		<u>72,155</u>	<u>64,048</u>
Taxation	21	(11,815)	(11,448)
PROFIT AFTER TAXATION			
		<u>60,340</u>	<u>52,600</u>
EARNINGS PER SHARE OF RS. 10 EACH - basic and diluted			
	22	<u>0.47</u>	<u>0.41</u>

The annexed notes 1 to 27 form an integral part of these financial statements.

Lahore


Chief Executive Officer


Chief Financial Officer

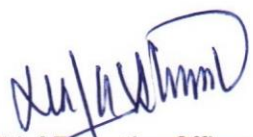

Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

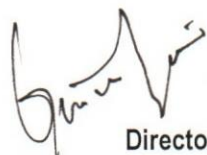
	Quarter ended	
	September 30, 2021	September 30, 2020
	Note	Un-Audited
	Un-Audited	Un-Audited
	(Rupees in '000s)	
PROFIT FOR THE PERIOD	60,340	52,600
Other comprehensive income / (loss)		
Unrealized gain on investments classified as available for sale	-	(1,551)
Impact of deferred tax	-	450
	-	(1,101)
<i>Items that are or may be subsequently reclassified to statement of profit or loss:</i>		
Share of the comprehensive Profit / loss from associates in respect of revaluation on available-for-sale investments	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	60,340	51,499

The annexed notes 1 to 27 form an integral part of these financial statements.

Lahore


 Chief Executive Officer


 Chief Financial Officer


 Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			TOTAL EQUITY
	Issued, subscribed and paid up capital - ordinary shares	Revaluation surplus on Property, Plant and Equipment	Gain on available for sale investment - net	Total	Building reserve fund	Unappropriated profit	Total	
(Rupees in '000s).....							
Balance as at June 30, 2020 - Audited	1,282,842	786,403	4,964	791,367	-	906,243	906,243	2,980,453
Profit for the period	-	-	-	-	-	52,600	52,600	52,600
Other comprehensive loss - net of tax	-	-	(1,101)	(1,101)	-	-	-	(1,101)
Total comprehensive income for the period	-	-	(1,101)	(1,101)	-	52,600	52,600	51,499
Transferred from revenue reserve to building reserve fund	-	-	-	-	500	(500)	-	-
Transferred to unappropriated profit on account of incremental	-	(29)	-	(29)	-	29	29	-
Balance as at September 30, 2020 un audited	1,282,842	786,374	3,863	790,238	500	958,372	958,872	3,031,952
Balance as at June 30, 2021 - Audited	1,282,842	776,227	-	776,227	1,425	1,060,658	1,062,084	3,121,152
Profit for the period	-	-	-	-	-	60,340	60,340	60,340
Other comprehensive loss - net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	60,340	60,340	60,340
Transferred from revenue reserve to building reserve fund	-	-	-	-	-	-	-	-
Transfer of revaluation surplus realized on property, plant and	-	-	-	-	-	-	-	-
Transferred to unappropriated profit on account of	-	-	-	-	-	-	-	-
Balance as at September 30, 2021 - un-audited	1,282,842	776,227	-	776,227	1,425	1,120,998	1,122,424	3,181,492

The annexed notes 1 to 27 form an integral part of these financial statements.

Lahore

Chief Executive Officer



Chief Financial Officer



Director



LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Quarter ended	
		September 30, 2021	September 30, 2020
		Un-Audited	Un-Audited
(Rupees in '000s)			
Cash flows from operating activities			
Profit before tax		72,155	64,048
Adjustments for non - cash and other items:			
Depreciation		5,524	5,574
Share of profit of associates		(60,922)	(49,373)
Return on investments		(12,757)	(18,053)
Lease rentals		(11,892)	(11,214)
Employees welfare fund		40	-
Provision against doubtful trade and other receivables		274	2,166
Finance cost		95	22
Loss before working capital changes		(79,638)	(70,877)
Movement in working capital	23	11,253	5,226
Cash generated from Operation		3,770	(1,605)
Employees welfare fund		(40)	-
Earned leaves paid		-	(226)
Finance cost paid		(95)	(11)
Withholding tax deducted		(3,451)	(7,737)
Net cash generated from operating activities		184	(9,579)
Cash flows from investing activities			
Fixed capital expenditure incurred		(477)	(141)
Short term investment (T-bills)		(95)	(48,771)
Short term investment (MTS)		(8,411)	30,301
Long term investment made during the year (PIBs)		-	(45,309)
Profit received on saving bank accounts and term deposits		12,975	16,516
Dividend received from Associates		-	13,415
Net cash used in investing activities		3,991	(33,989)
Cash flows from financing activities			
Un claimed Dividend (paid) / Receipt		(1,600)	1,634
Long term Financing from BAHF		1,830	-
Net cash used in financing activities		230	1,634
Net Increase / (decrease) in cash and cash equivalents		4,405	(41,933)
Cash and cash equivalents at the beginning of the year		79,824	106,814
Cash and cash equivalents at the end of the year	12	84,229	64,881

The annexed notes 1 to 27 form an integral part of these financial statements.

Lahore


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1 Legal status and operations

LSE Financial Services Limited ("the Company") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public Company limited by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The registered office of the Company is situated at 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan. Securities and Exchange Commission of Pakistan ("the Commission") vide its notification dated August 25, 2015 directed integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations and was granted a license by the Commission on January 11, 2016 to operate as an investment finance services company under the name LSE Financial Services Limited.

Prior to cessation of the stock exchange operations, the Company was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, modaraba certificates, pre-organization certificates and securities, stocks, bonds, debentures, debenture stocks, Government papers, loans and any other instruments and securities of like nature including but not limited to special national fund bonds and documents of a similar nature issued by the Government of Pakistan or any institution or agency authorized by it.

2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017, differ with the requirements of IFRS, the requirements of the Companies Act, 2017 shall prevail.

This condensed interim financial information does not include all information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments.

3 ACCOUNTING POLICIES

The significant accounting policies are adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5 Property, plant and equipment

Property, plant and equipment
 Capital work-in-progress

September 30, 2021 <u>Un-Audited</u>	June 30, 2021 <u>Audited</u>
(Rupees in '000s)	
1,260,856	1,265,905
801	801
<u>1,261,657</u>	<u>1,266,706</u>

5.1 OPERATING FIXED ASSETS - TANGIBLE

	COST / REVALUED AMOUNT						Rate	ACCUMULATED DEPRECIATION					Book Value as at 30-09-2021	
	Balance as at 01-07-2021	Additions	Deletions	Revaluation surplus	Transfer from CWIP	Depreciation adjustment		Balance as at 30-09-2021	Balance as at 01-07-2020	For the Year	Deletions	Depreciation adjustment		Balance as at 30-09-2021
Owned assets														
Land freehold	1,059,660	-	-	-	-	-	1,059,660	-	-	-	-	-	1,059,660	
Building on freehold land	119,460	-	-	-	-	-	119,460	5%	10,097	1,367	-	-	11,464	107,996
Computer and accessories	51,355	382	-	-	-	-	51,737	30%	49,481	141	-	-	49,622	2,115
Furniture and fixture	13,867	-	-	-	-	-	13,867	10%	9,420	111	-	-	9,531	4,336
Office equipment	7,351	-	-	-	-	-	7,351	20%	6,894	23	-	-	6,917	434
Electric fittings and appliances	136,630	95	-	-	-	-	136,725	20%	73,701	3,146	-	-	76,848	59,878
Vehicles	3,345	-	-	-	-	-	3,345	20%	2,513	42	-	-	2,555	790
Elevator	19,969	-	-	-	-	-	19,969	20%	12,931	352	-	-	13,283	6,686
Generator	34,206	-	-	-	-	-	34,206	10%	17,573	416	-	-	17,989	16,217
Arms and security equipments	5,316	-	-	-	-	-	5,316	10%	2,646	67	-	-	2,713	2,603
Library books	318	-	-	-	-	-	318	25%	316	0	-	-	316	2
Leasehold improvements	5,697	-	-	-	-	-	5,697	20%	5,697	-	-	-	5,697	-
Rupees in '000s - September 2020	1,457,174	477	-	-	-	-	1,457,651		191,270	5,664	-	-	196,934	1,260,717
							1,454,615			5,524			(193,759)	1,260,856
							3,036			140				140

	COST / REVALUED AMOUNT						Rate	ACCUMULATED DEPRECIATION					Book Value as at 30-06-2021	
	Balance as at 01-07-2020	Additions	Deletions	Revaluation surplus	Transfer from CWIP	Depreciation adjustment		Balance as at 30-06-2021	Balance as at 01-07-2020	For the Year	Deletions	Depreciation adjustment		Balance as at 30-06-2021
Owned assets														
Land freehold	1,059,660	-	-	-	-	-	1,059,660	0%	-	-	-	-	-	1,059,660
Building on freehold land	95,139	150	-	-	24,171	-	119,460	5%	4,757	5,340	-	-	10,097	109,363
Computer and accessories	50,982	588	(215)	-	-	-	51,355	30%	48,951	705	(175)	-	49,481	1,874
Furniture and fixture	13,867	-	-	-	-	-	13,867	10%	8,926	494	-	-	9,420	4,447
Office equipment	7,351	25	(25)	-	-	-	7,351	20%	6,793	113	(12)	-	6,894	457
Electric fittings and appliances	116,835	-	(94)	-	19,889	-	136,630	20%	61,721	12,064	(84)	-	73,701	62,930
Vehicles	3,345	-	-	-	-	-	3,345	20%	2,305	208	-	-	2,513	832
Elevator	19,969	-	-	-	-	-	19,969	20%	11,171	1,760	-	-	12,931	7,038
Generator	34,206	-	-	-	-	-	34,206	10%	15,725	1,848	-	-	17,573	16,633
Arms and security equipment	4,213	1,103	-	-	-	-	5,316	10%	2,373	273	-	-	2,646	2,670
Library books	318	-	-	-	-	-	318	25%	315	1	-	-	316	2
Leasehold improvements	5,697	-	-	-	-	-	5,697	20%	5697	-	-	-	5697	0
Rupees in '000s - June 30, 2021	1,411,582	1,866	(334)	-	44,060	-	1,457,174		168,734	22,806	(270)	-	191,270	1,265,905

5.2 Total area of LSE's both plazas is 200,003 Sq.ft. approx. which has been allocated in the following manners:

- 1 Area 165,029 Sq. Ft. has been given on 99 years finance lease including service & common area,
- 2 Area 25,018 Sq. Ft. has been accounted for as Investment property,
- 3 Area 9,956 Sq. Ft. Is owned by LSEFSL for office use including service & common area.

6 INVESTMENT IN ASSOCIATES - under equity method of accounting

The Pakistan Credit Rating Agency Limited (PACRA)
Central Depository Company of Pakistan Limited (CDC)
National Clearing Company of Pakistan Limited (NCCPL)

	September 30, 2021	June 30, 2021
	Un-Audited	Audited
	(Rupees in '000s)	
	57,180	51,323
	565,285	546,217
	554,062	518,065
	<u>1,176,527</u>	<u>1,115,605</u>

Reconciliation of changes in carrying value of investment in associates

30 September 2021

	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
.....(Rupees in '000s).....				
Opening balance	51,323	546,217	518,065	1,115,605
Share of profit for the year	5,857	19,068	35,997	60,922
Gain / (deficit) on revaluation of associates' available for sale investments	-	-	-	-
Actuarial loss on employees' gratuity fund	-	-	-	-
Dividend received during the year	-	-	-	-
Closing balance	<u>57,180</u>	<u>565,285</u>	<u>554,062</u>	<u>1,176,527</u>
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	

30 June 2021

	The Pakistan Credit Rating Agency Limited (PACRA)	Central Depository Company of Pakistan Limited (CDC)	National Clearing Company of Pakistan Limited (NCCPL)	Total
.....(Rupees in '000s).....				
Opening balance	83,202	504,103	408,984	996,289
Share of profit for the year	23,426	76,273	143,987	243,685
Share of other comprehensive income of associate	(303)	-	-	(303)
Actuarial loss on employees' retirement benefits	-	(431)	216	(215)
Dividend received during the year	(55,002)	(33,728)	(35,122)	(123,852)
Revaluation surplus on property plant and equipment	-	-	-	-
Closing balance	<u>51,323</u>	<u>546,217</u>	<u>518,065</u>	<u>1,115,605</u>
Shareholding in %age	<u>36%</u>	<u>10%</u>	<u>23.53%</u>	

6.1 Due to non-availability of financials, the Income from associates (CDC, NCCPL & PACRA) is booked on prorata basis based on last year's audited financial statements.

6.2 The cost of investment in associates is Rs. 179.813 million (2021: Rs. 179.813 million).

7 LONG TERM DEPOSITS

7.1 These represents security deposits given to companies against provision of utilities and services amounting to Rs. 1.224 million (2020 : Rs. 1.224 million) and security deposit for MTS trading amounting to Rs. 0.250 million (2020: 0.250 million).

	September 30, 2021	June 30, 2021
	Un-Audited	Audited
	(Rupees in '000s)	
	<u>1,474</u>	<u>1,474</u>

8 TRADE AND OTHER RECEIVABLES - considered good

	Note	September 30, 2021	June 30, 2021
		Un-Audited	Audited
		(Rupees in '000s)	
Trade receivables	8.1	4,810	3,606
Other receivables			
From related parties - secured	8.2	1,814	1,947
Accrued mark-up		2,565	2,774
Others	8.3	1,782	1,146
		<u>10,970</u>	<u>9,473</u>

8.1	Trade receivables from ex - members / TREC holders			
	Considered good		4,810	3,606
	Considered doubtful		16,405	16,131
	Less: Provision against doubtful receivables	8.1.1	<u>(16,405)</u>	<u>(16,131)</u>
			<u>4,810</u>	<u>3,606</u>
8.1.1	Movement for the year			
	Opening balance		16,131	15,042
	Provision for the year - Net		<u>274</u>	<u>1,089</u>
	Closing balance		<u>16,405</u>	<u>16,131</u>
8.2	Other receivables from related parties:			
	MCF Trust Fund		211	232
	IPF Trust Fund		622	683
	TCF Trust Fund		<u>980</u>	<u>1,032</u>
			<u>1,814</u>	<u>1,947</u>
8.3	Others:			
	-Considered good		1,782	1,146
	-Considered doubtful		<u>1,559</u>	<u>1,559</u>
			<u>3,341</u>	<u>2,705</u>
	Less: provision against doubtful receivables		<u>(1,559)</u>	<u>(1,559)</u>
			<u>1,782</u>	<u>1,146</u>
			September 30,	June 30,
			2021	2021
		Note	Un-Audited	Audited
			(Rupees in '000s)	
9	ADVANCES AND PREPAYMENTS			
	<i>Considered good</i>			
	Advances to employees - secured		382	1,060
	Prepaid expenses	9.1	<u>3,242</u>	<u>1,411</u>
	Due from others		<u>248</u>	<u>-</u>
			<u>3,872</u>	<u>2,471</u>
9.1	This is amortized value of insurance premium (assets, health, life & pay cont. etc), property tax & subscription fees. Which will be charged to expense periodically.			
10	FINANCIAL ASSETS			
	Investment in MTS	10.1	470,929	462,518
	Government treasury bills	10.2	25,627	25,532
	Held for trading			
	Equity shares of Pakistan Mercantile Exchange Limited (PMEX)		19,086	19,086
	Equity shares of Institute of Financial Market of Pakistan		-	-
	Shares of unlisted company		-	-
			<u>515,642</u>	<u>507,136</u>
10.1	These carry average mark-up up to 10 % p.a. The marginal trading contract period is for maximum 64 days.			
10.2	This represents investment in treasury bills of six months carried mark-up @ 7.40% p.a. (2020: @ 7.40% p.a.). A T-bill of Rs. 25 million has been lien marked against Bank Guarantee issued in favour of NCCPL as margin exposure for Margin Trading System. The said bank guarantee has been issued by MCB bank Limited.			
			September 30,	June 30,
			2021	2021
		Note	Un-Audited	Audited
			(Rupees in '000s)	
11	ADVANCE INCOME TAX			
	Wealth tax paid:			
	- under protest		10,063	10,063
	- with returns		<u>461</u>	<u>461</u>
			<u>10,524</u>	<u>10,524</u>
	Less: provision for wealth tax		<u>3,728</u>	<u>3,728</u>
			<u>6,796</u>	<u>6,796</u>
	Income tax deducted at source during the year		35,244	66,664
	Provision of income tax for the year		<u>(3,935)</u>	<u>(35,195)</u>
	PRA Sales Tax		<u>1,181</u>	<u>1,505</u>
			<u>39,286</u>	<u>39,770</u>
11.1	The Income Tax Appellate Tribunal, vide its order dated June 03, 2003, for the Assessment years 1992-93 and 1994-95 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963.			
11.2	The Department has filed a writ petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The petition is pending adjudication.			

12 CASH AND BANK BALANCES

Cash in hand		100	100
Cash at banks on :			
-Current accounts		52	156
-Saving accounts	12.1	84,077	79,568
		84,130	79,724
		<u>84,230</u>	<u>79,824</u>

12.1 These carry mark-up @ 6.25% to 5.5% p.a. (2021: @ 6.25% to 5.5% p.a.). This amount also includes the amount of unpaid/ unclaimed dividends kept in separate PLS bank accounts.

13 SHARE CAPITAL

Authorized share capital

Authorized share capital comprises of 200,000,000 (2019: 200,000,000) Ordinary shares of Rs. 10 each.

Issued, subscribed and paid up capital

	2021	2020				
	(Number of shares)					
	128,284,200	128,284,200	Ordinary shares of Rs. 10/- each issued for consideration other than cash	13.1	1,282,842	1,282,842

13.1 On August 15, 2012, in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 ("The Act"), 128,284,200 shares were allotted to the initial share holders of the Company. These shares are blocked under the Non Banking Finance Companies (NBFC) Rules, 2003.

13.2 No associated undertaking holds any share in the Company.

14 Long Term Financing

		September 30, 2021	June 30, 2020
		Un-Audited	Audited
		(Rupees in '000s)	
From banking companies - secured			
Bank Al Habib Limited	14.1	9,526	7,696
Less: Current portion shown under current liabilities		(1,924)	(1,539)
		<u>7,602</u>	<u>6,157</u>

14.1 The total sanctioned financing of Rs. 9.62 million has been obtained from Bank Al Habib Limited, to purchase & installation of 100 KW On-Grid Solar System under the State Bank of Pakistan financing scheme for Renewable Energy Category-II. It carries mark-up at the rate of 4% (2021: 4%) per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 11 million. The tenor of the facility is 5 years from the date of disbursement. The solar system has been installed and commissioned properly, The bank has made total payment to vendor (Zi-Solar) directly.

15 TRADE AND OTHER PAYABLES

		September 30, 2021	June 30, 2021
	Note	Un-Audited	Audited
		(Rupees in '000s)	
Trade creditors		8,980	11,249
Accrued liabilities		13,792	13,314
Accrued Mark-up		72	54
Due to members		2,158	2,158
Advance rent received from tenants		17,765	12,985
Defaulted members' membership sale proceeds	15.1	44,131	44,131
Advances received from members and companies		4,929	5,650
Retention money		2,098	2,098
Provision for Punjab Worker Welfare Fund		8,007	8,007
		<u>101,933</u>	<u>99,646</u>

15.1 This represents amounts realized through auctions of the defaulted members' memberships & assets. The proceeds have been retained by the Company upon direction of relevant Authorities for settlement of claims against these defaulted members.

16 REVENUE (MTS)

		September 30, 2021	September 30, 2020
		Un-Audited	Un-Audited
		(Rupees in '000s)	
	16.1	11,214	9,577

16.1 This represents income earned as trading financier from investments made in Margin Trading System (MTS) of National Clearing Company of Pakistan Limited (NCCPL). These carry weighted average mark-up up to 10% p.a. The margin trading contract period is for maximum 64 days.

17 RENTAL INCOME		September 30, 2020 <u>Un-Audited</u>	September 30, 2020 <u>Un-Audited</u>
Investment properties - rental income	17.1	<u>11,892</u>	<u>12,084</u>
17.1 Rental income earned from investment property and roof top antenas.			

18 OTHER INCOME

Income from financial assets

Short term investments

Profit on saving bank accounts		1,061	505
Treasury bills		482	759
Government securities		-	1,125
		<u>1,544</u>	<u>2,388</u>

Income from non - financial assets

Funds & Operations management fee	18.1	4,653	4,493
Room maintenance fee		5,439	5,456
Software revenue		859	981
Miscellaneous		2,473	3,225
		<u>13,425</u>	<u>14,155</u>
		<u>14,969</u>	<u>16,544</u>

18.1 This represents funds & operation management fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the period ended September 30, 2021. Funds & operation management fee is calculated at the rate of 2.00% on closing net assets of the funds as per management accounts.

19 ADMINISTRATIVE AND GENERAL EXPENSES		September 30, 2021 <u>Un-Audited</u>	September 30, 2020 <u>Un-Audited</u>
		(Rupees in '000s)	
Salaries and benefits	19.1	8,631	7,299
Information technology related expenses		480	706
Insurance		223	270
Travelling and conveyance		625	366
Printing and stationery		153	173
Utilities		1,635	876
Communication and public relations		569	592
Repair and maintenance		2,102	2,165
Security expenses		1,578	1,401
Legal and professional charges		1,187	294
Consultancy charges		626	410
MTS charges		1,190	1,002
Fee and subscription		228	228
Rent, rates and taxes		662	456
Marketing and advertisement		-	77
Auditors' remuneration		108	113
Board meetings fee expenses		840	1,520
Provision against doubtful trade and other receivables - Net		274	95
Others charges		113	132
Depreciation		5,524	5,334
		<u>26,747</u>	<u>23,508</u>

19.1 Salaries and benefits include Rs. 0.363 million (2021: Rs. 0.322 million) in respect of contribution to provident fund - a related party.

20 Mark-up on financing	20.1	74	-
Bank charges		21	11
		<u>95</u>	<u>11</u>

20.1 This includes amount of interest payable to BAHIL against financing facility taken by company.

21 TAXATION

Current
Deferred

September 30, 2021	September 30, 2020
Un-Audited	Un-Audited
(Rupees in '000s)	
3,935	6,286
7,879	5,163
<u>11,815</u>	<u>11,448</u>

22 EARNINGS PER SHARE

Basic earnings / (loss) per share

Profit after tax attributable to ordinary shareholders

(Rupees in thousand)

60,340

52,600

Weighted average number of shares outstanding during the year

(Number of shares in thousand)

128,284

128,284

Earnings per share

(Rupees)

0.47

0.41

23 MOVEMENT IN WORKING CAPITAL

(Increase) / decrease in current assets:

- Stores and spares
- Trade and other receivables
- Advances and prepayments

September 30, 2021	June 30, 2021
Un-Audited	Audited
.....(Rupees in '000s).....	
759	13
(1,980)	12,247
(1,401)	474
<u>(2,622)</u>	<u>12,734</u>

Increase / (decrease) in current liabilities:

- Trade and other payables
- Deposits payable related to discontinued operations
- Advance rent received from tenants
- Retention money

(2,502)	1,759
(295)	(460)
16,672	47,796
-	(884)
<u>13,876</u>	<u>48,211</u>
<u>11,253</u>	<u>60,945</u>

24 TRANSACTION WITH RELATED PARTY

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Balances with related parties are disclosed in respective notes to these financial statements, whereas, significant transactions with these related parties during the year are as under:

Names of Related Parties	Basis of relationship/ percentage shareholding	Transactions during the year	September 2021	September 2020
			Rs. in ' 000	
Transactions with associates				
National Clearing Company of Pakistan Limited	23.53%	Dividend received	-	-
		Annual fee paid	-	-
		Provision of facilities - billing	558	619
		Reimbursement of facilities - receipts	526	520
		Trading charges paid	1,190	1,002
Central Depository Company of Pakistan Limited	10%	Dividend received	-	-
		Provision of facilities - billing	1,284	1,150
		Reimbursement of facilities - receipts	1,284	930
Pakistan Credit Rating Agency Limited	36%	Dividend received	-	10,732
Transactions with key management personnel				
Chief executive		Remuneration	1,450	1,125
		Contribution to provident fund	75	70
Transactions with others				
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Post Employment benefits	Contribution for the year	363	332
MCF Trust Fund	Associate	Fund and operational management fee received	541	523
IPF Trust Fund	Associate	Fund and operational management fee received	1,594	1,539
TCF Trust Fund	Associate	Fund and operational management fee received	2,518	2,431
Directors	Non-Executive	Utilities	527	428
Directors	Non-Executive	Meeting fees	840	1,520

25 Corresponding Figures

In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statement of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

26 General

The figures in this financial information have been rounded off to the nearest thousand Rupee unless otherwise stated.

NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on Oct 06, 2021 has proposed a final cash dividend of Rs. 0.90/- or 9% per share for the year ended June 30, 2021 (2020: Rs. 0.70 per share), for approval of the members in the Annual General Meeting.

27 This condensed interim financial information was authorized to issue on 18-11- 2021 by the Board of Directors of the company


Chief Executive Officer


Chief Financial Officer


Director