




Central Depository Company of Pakistan Limited

Condensed Interim Financial Statements for the Quarter Ended
September 30, 2018

Central Depository Company of Pakistan Limited
Condensed Interim Statement of Financial Position
As at September 30, 2018

	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 150,000,000 (June 2018: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up share capital 106,090,000 (June 2018: 106,090,000) ordinary shares of Rs. 10 each	4	1,060,900,000	1,060,900,000
Reserves			
Reserve fund		100,000,000	100,000,000
Reserve for issuance of bonus shares		439,100,000	-
Unappropriated profit		1,831,934,425	2,258,962,946
Surplus on revaluation - net	5	<u>708,042,256</u>	<u>711,144,659</u>
		<u>3,079,076,681</u>	<u>3,070,107,605</u>
Total shareholders' equity		<u>4,139,976,681</u>	<u>4,131,007,605</u>
Non-current liabilities			
Long term deposits	6	125,373,500	123,373,500
Deferred taxation - net		<u>109,981,718</u>	<u>111,316,286</u>
Total non-current liabilities		<u>235,355,218</u>	<u>234,689,786</u>
Current liabilities			
Trade and other payables	7	365,541,936	518,147,026
Dividend Payable		159,135,000	-
Unearned fee	8	202,586,593	46,917,167
Taxation - net	9	<u>6,749,704</u>	<u>11,888,335</u>
Total current liabilities		<u>734,013,232</u>	<u>576,952,528</u>
Total liabilities		<u>969,368,450</u>	<u>811,642,314</u>
Contingencies and commitments	10	-	-
Total equity and liabilities		<u>5,109,345,131</u>	<u>4,942,649,920</u>
ASSETS			
Non-current assets			
Fixed assets			
Property and equipment	11.1	1,289,488,235	1,293,880,479
Intangibles	11.2	<u>134,856,135</u>	<u>137,513,529</u>
		<u>1,424,344,370</u>	<u>1,431,394,008</u>
Long term investments	12	100,000,000	100,000,000
Long term loans		64,456,292	59,357,334
Long term deposits and prepayments		<u>7,298,327</u>	<u>7,015,328</u>
Total non-current assets		<u>1,596,098,989</u>	<u>1,597,766,670</u>
Current assets			
Trade debts - net	13	372,624,696	265,653,638
Loans and advances		12,300,786	12,908,374
Prepayments		30,512,145	23,010,839
Short term investments	14	3,026,401,213	2,976,249,077
Other receivables	16	17,904,805	13,753,448
Cash and bank balances		<u>53,502,497</u>	<u>53,307,874</u>
Total current assets		<u>3,513,246,142</u>	<u>3,344,883,250</u>
Total assets		<u>5,109,345,131</u>	<u>4,942,649,920</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Central Depository Company of Pakistan Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the quarter ended September 30, 2018

	Note	For the quarter ended	
		September 30, 2018 Rupees	September 30, 2017 Rupees (Restated)
Operating income - net		484,325,629	537,454,039
Operating and administrative expenses		<u>(286,740,077)</u>	<u>(277,889,013)</u>
Operating profit		197,585,552	259,565,026
Other income		52,680,846	39,129,921
Other operating expenses		(6,255,816)	(7,466,875)
Financial charges		<u>(33,777)</u>	<u>(19,932)</u>
		46,391,253	31,643,114
Profit before income tax		243,976,805	291,208,140
Income tax expense		(75,632,810)	(96,098,686)
Profit for the period		168,343,996	195,109,454
Earnings per share - basic and diluted	15	<u>1.59</u>	<u>1.84</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer



Central Depository Company of Pakistan Limited
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the quarter ended September 30, 2018

	For the quarter ended	
	September 30, 2018 Rupees	September 30, 2017 Rupees (Restated)
Profit for the period	168,343,996	195,109,454
Other comprehensive income / (loss)		
Items that may be reclassified to profit or loss account subsequently		
Unrealized (loss) / gain on remeasurement of available for sale investments	(347,710)	333,291
Impact of deferred tax	107,790	(99,987)
	(239,920)	233,304
Total comprehensive income for the period	168,104,076	195,342,757

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



 Chairman



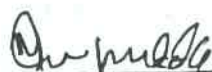
 Chief Executive Officer



Central Depository Company of Pakistan Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended September 30, 2018

Note	For the quarter ended	
	September 30, 2018 Rupees	September 30, 2017 Rupees (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	243,976,805	291,208,140
Adjustments for items not involving movement of funds		
Depreciation	31,714,595	25,902,595
Amortization	11,168,890	9,264,764
Gain on disposal of property and equipment	(253,026)	(236,391)
(Loss) / gain on marketable securities	(239,920)	233,304
Financial charges	33,777	19,932
	<u>42,424,316</u>	<u>35,184,204</u>
Operating profit before working capital changes	286,401,121	326,392,343
(Increase) / decrease in current assets		
Trade debts - net	(106,971,058)	6,389,591
Long term loans	(5,098,958)	(1,798,482)
Long term deposits and prepayments	(282,999)	263,916
Loans, advances, prepayments and other receivable	(11,045,075)	(10,897,100)
	<u>(123,398,090)</u>	<u>(6,042,075)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(152,605,090)	(151,845,200)
Unearned fees	155,669,426	130,352,663
Long term deposits	2,000,000	1,737,500
	<u>5,064,336</u>	<u>(19,755,037)</u>
Cash generated from operations	168,067,367	300,595,230
Financial charges paid	(33,777)	(19,932)
Income tax paid	(82,106,009)	(86,690,666)
	<u>(82,139,786)</u>	<u>(86,710,598)</u>
Net cash flow from operating activities	85,927,581	213,884,632
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred - net	(35,900,223)	(27,798,164)
Proceeds from disposal of property and equipment	319,401	284,000
Mark up received	-	5,061,878
Net cash used in investing activities	(35,580,822)	(22,452,286)
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	50,346,759	191,432,346
Cash and cash equivalents at the beginning	3,029,556,951	2,584,635,032
Cash and cash equivalents at the end	<u>3,079,903,710</u>	<u>2,776,067,378</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer

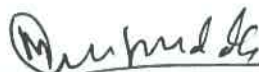


Central Depository Company of Pakistan Limited
Condensed Interim Statement of Changes in Equity
For the quarter ended September 30, 2018

	Issued, subscribed and paid-up share capital	* Reserve fund	Reserve for issuance of bonus shares	Unappropriated profit	Surplus on revaluation of Available for sale investments - net	Surplus on revaluation of property and equipment - net	Total shareholders' equity
Rupees							
Balance as at July 1, 2017 - Restated (Audited)	1,000,000,000	100,000,000	-	1,851,972,791	10,031	719,539,436	3,671,522,258
Comprehensive income for the period	-	-	-	195,109,454	233,304	-	195,342,757
Transactions with owners, recognised directly in equity							
Final dividend @ 18.3% (i.e. Rs. 1.83 per share)	-	-	-	(183,000,000)	-	-	(183,000,000)
Bonus shares @ 6.09% (i.e. 6.09 million Shares)	-	-	60,900,000	(60,900,000)	-	-	-
Total transactions with owners	-	-	60,900,000	(243,900,000)	-	-	(183,000,000)
Transferred from surplus on revaluation of property & equipment on account of incremental depreciation - net off deferred tax	-	-	-	2,868,423	-	(2,868,423)	-
Balance as at September 30, 2017 Restated (Un-audited)	1,000,000,000	100,000,000	60,900,000	1,806,050,668	243,335	716,671,013	3,683,865,015
Balance as at July 1, 2018 (Audited)	1,060,900,000	100,000,000	-	2,258,962,946	(216,254)	711,360,913	4,131,007,605
Comprehensive income for the year	-	-	-	168,343,996	(239,920)	-	168,104,076
Transactions with owners, recognised directly in equity							
Final dividend @ 15% (i.e. Rs. 1.5 per share)	-	-	-	(159,135,000)	-	-	(159,135,000)
Bonus shares @ 41.3894% (i.e. 43.91 million Shares)	-	-	439,100,000	(439,100,000)	-	-	-
Total transactions with owners	-	-	439,100,000	(598,235,000)	-	-	(159,135,000)
Transferred from surplus on revaluation of property & equipment on account of incremental depreciation - net off deferred tax	-	-	-	2,862,483	-	(2,862,483)	-
Balance as at September 30, 2018 (Un-audited)	1,060,900,000	100,000,000	439,100,000	1,831,934,425	(456,174)	708,498,430	4,139,976,681

* The Reserve Fund is a revenue reserve which has been created in accordance with the requirements of the Articles of Association of the Company.

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Central Depository Company of Pakistan Limited (the Company) was incorporated as a public Company with its liability limited by shares on January 21, 1993 and received certificate of commencement of business on August 10, 1994. The principal business activities of the Company are to act as a depository for securities, open securities account and acts as a registrar to the issuer of securities. The registered office of the Company is situated at CDC House, 99-B, Block B, S.M.C.H.S. Karachi, Pakistan.

The Company under trust deeds acts as a trustee for various open-end funds and closed-end schemes under the Non Banking Finance Companies and Notified Entities Regulations, 2008 and also provides custodial-ship to closed-end funds formed under the said regulations.

The Company also provides custody and settlement services for Government securities to retail investor and is also managing Centralized Information Sharing Solution for Insurance Industry (CISSII).

The Company has three wholly owned subsidiaries with names and styles of ITMinds Limited (ITMI), CDC Trustee Company Limited (CTCL) and eClear Services Limited (ECL).

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting."

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018.

These condensed interim financial statements have been restated to account for the effect of super tax and bonus shares issued on EPS in order to fairly present the result of quarter ended September 30, 2017.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of financial statements for the year ended June 30, 2018 except for segment information for which retrospective impact have been disclosed (Note 19) .

During the year, the Company changed its estimate for useful life of certain computer equipments from 4 years to 3 years and accounted for its consequential impacts.

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Un-audited September 30, 2018	Audited June 30, 2018		Un-audited September 30, 2018	Audited June 30, 2018
Number of shares			Rupees	Rupees
10,000,000	10,000,000	Ordinary shares of Rs. 10 each fully paid in cash	100,000,000	100,000,000
		Ordinary shares of Rs. 10 each issued as fully paid bonus shares		
96,090,000	90,000,000	- Beginning of the year	960,900,000	900,000,000
-	6,090,000	- During the year	-	60,900,000
96,090,000	96,090,000	Total bonus shares	960,900,000	960,900,000
106,090,000	106,090,000		1,060,900,000	1,060,900,000

4.1 Associated companies held 74,059,305 (June 2018: 74,059,305) shares in the company as at period end.

5 SURPLUS ON REVALUATION - NET

	Un-audited September 30, 2018	Audited June 30, 2018
	Rupees	Rupees
Surplus on revaluation of property and equipment - net	708,498,430	711,360,913
Deficit on revaluation of available for sale investments - net	(456,174)	(216,254)
	708,042,256	711,144,659

Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

6 LONG TERM DEPOSITS

Due to:

-Participants	41,212,000	40,813,139
-Institutions	32,024,000	32,022,861
-Pledgees	1,600,000	1,600,000
-Issuers	50,537,500	48,937,500
	<u>125,373,500</u>	<u>123,373,500</u>

6.1 These represent security deposits received from different categories of Central Depository System (CDS) elements for their admission in the CDS. According to regulation 3.8.4 of Central Depository Company of Pakistan Limited Regulations, such deposits may be utilized by the Company for any purpose whatsoever and shall be refundable at the time of termination of admission to the CDS.

6.2 It includes long term deposits amounting to Rs. 2.94 million (2018: Rs. 3 million) from related parties.

	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
7 TRADE AND OTHER PAYABLES		
Payable to suppliers	3,199,223	7,258,374
Accrued expenses	123,882,765	266,058,386
Employees' retirement benefits & other obligations	123,050,092	129,090,480
Investor account services - current account	86,530,618	84,893,299
Workers' Welfare Fund (WWF)	13,745,902	13,745,902
Others	15,133,336	17,100,585
	<u>365,541,936</u>	<u>518,147,026</u>

8 UNEARNED FEE

Annual fee		
- Issuers	153,264,896	3,715,541
- Investor Account Services (IAS)	4,747,405	7,023,554
- Centralised Information Sharing Solution for Insurance Industry (CISSII) Participant	3,665,027	6,260,016
Investment Portfolio Services (IPS) annual fee	15,438	22,438
Sub account maintenance fee	40,893,827	29,895,618
	<u>202,586,593</u>	<u>46,917,167</u>

9 TAXATION - NET

Provision for taxation - net	6,749,704	11,888,335
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10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

During 2014-2015, the Sindh Revenue Board (SRB) passed an order in relation to tax periods commencing from July 2011 up to June 2013 with regards to chargeability of Sindh Sales Tax amounting to Rs. 297 million including penalty. Subsequently, the penalty amounting to Rs. 15 million was removed and the revised demand restricted to Rs. 282 million. SRB was of the opinion that services rendered by the Company were falling under the ambit of Non-Banking Finance Companies (NBFC). Not agreeing with the SRB's contention, Company pursued the matter in appeal and through the order dated February 28, 2018, the Hon'able Appellate Tribunal - SRB has decided the case in favor of the Company and has vacated the above referred tax demand.

Apart from the above, the SRB has also issued a notice for the periods from July 2013 through June 2015, requiring the Company to show-cause as to why SST of Rs 344.6 million including penalty may not be recovered from the Company on alleged failure to charge SST on its services. The management on the basis of above-referred judgment of Hon'able Appellate Tribunal - SRB have filed the application in the Honorable Sindh High Court for vacation of the same and is confident that the matter will be resolved in Company's favor and therefore no provision has been recognised in these financial statements.

	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
10.2 Commitments		
Capital expenditure for acquisition of software, hardware and office equipments	55,236,578	5,119,964

Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

11		FIXED ASSETS				Un-audited September 30, 2018	Audited June 30, 2018		
				Note		Rupees	Rupees		
11.1		Property and equipment							
		Operating assets		11.1.1		1,262,943,902	1,291,297,530		
		Capital work-in-progress				26,544,333	2,582,949		
						<u>1,289,488,235</u>	<u>1,293,880,479</u>		
11.1.1		Operating assets							
		Cost as at 1-Jul 2018	Additions/ (deletions)	Cost as at 30-Sep 2018	Accumulated depreciation as at 1 Jul 2018	Depreciation on cost (on deletion)	Accumulated depreciation as at 30 Sep 2018	Book value as at 30 Sep 2018	Rate
Owned Assets									
		Land	-	549,999,000	-	-	-	549,999,000	
		Building	-	551,849,809	30,369,812	8,060,651	38,430,463	513,419,346	5%
		Furniture, fixtures and electrical equipments	-	168,217,886	143,426,614	2,414,305	145,840,919	22,376,967	20%
		Vehicles	2,398,000 (1,151,500)	90,002,369	46,357,914	4,207,409 (1,138,605)	49,426,718	40,575,651	20%
		Office equipments	679,043 (988,440)	198,659,841	165,616,966	3,203,406 (934,960)	167,885,412	30,774,429	20%
		Computers and ancillary equipments	350,299	440,641,081	321,013,748	13,828,824	334,842,572	105,798,509	25%-33.33%
Sep 2018	Rupees	<u>1,998,082,584</u>	<u>3,427,342 (2,139,940)</u>	<u>1,999,369,986</u>	<u>706,785,054</u>	<u>31,714,595 (2,073,565)</u>	<u>736,426,084</u>	<u>1,262,943,902</u>	
June 2018	Rupees	<u>1,841,549,184</u>	<u>232,617,898 (76,084,498)</u>	<u>1,998,082,584</u>	<u>670,694,471</u>	<u>111,504,419 (75,413,856)</u>	<u>706,785,054</u>	<u>1,291,297,530</u>	
11.2		Intangibles							
		Software		11.2.1		126,461,334	136,336,096		
		Software under implementation				8,394,801	1,177,433		
						<u>134,856,135</u>	<u>137,513,529</u>		
11.2.1		Software							
Sep 2018	Rupees	<u>447,244,894</u>	<u>1,294,128</u>	<u>448,539,022</u>	<u>310,908,798</u>	<u>11,168,890</u>	<u>322,077,688</u>	<u>126,461,334</u>	20%
June 2018	Rupees	<u>376,474,690</u>	<u>70,770,204</u>	<u>447,244,894</u>	<u>268,843,489</u>	<u>42,065,309</u>	<u>310,908,798</u>	<u>136,336,096</u>	20%

Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
12 LONG TERM INVESTMENTS			
Investment in related parties			
Investment in subsidiaries - at cost			
- ITMinds Limited		50,000,000	50,000,000
- CDC Trustee Company Limited		50,000,000	50,000,000
	12.1	<u>100,000,000</u>	<u>100,000,000</u>
12.1	This represents investment in wholly owned subsidiaries for IT services and Business process outsourcing (BPO) office under the name of ITMinds Limited by subscribing 5,000,000 shares (June 30, 2018: 5,000,000) of Rs.10 each and for trustee and custodial services under the name of CDC Trustee Company Limited by subscribing 5,000,000 shares (June 30, 2018: 5,000,000) of Rs.10 each.		
	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
13 TRADE DEBTS - NET			
Considered good			
- secured		228,749,603	202,981,239
- unsecured		143,875,093	62,672,399
		<u>372,624,696</u>	<u>265,653,638</u>
Considered doubtful, unsecured		1,159,136	1,159,136
		<u>373,783,832</u>	<u>266,812,774</u>
Provision for impairment		(1,159,136)	(1,159,136)
		<u>372,624,696</u>	<u>265,653,638</u>
13.1	Trade debts include receivable from associated person and companies amounting to Rs. 8.4 million (2018: 7.8 million).		
14 SHORT TERM INVESTMENTS			
Available for sale investments			
- Term deposit certificates	14.1	1,107,249,101	1,159,133,555
- Treasury bills	14.2	1,919,152,112	1,817,115,522
		<u>3,026,401,213</u>	<u>2,976,249,077</u>
14.1	This represents investment in fixed Term Deposit Certificates having maturity of three months. The rate of profit on these certificates is 7.60% to 7.50% (June 2018: 6.00% to 6.45%) per annum.		
14.2	This represents investment in Government Treasury Bills having maturity of three months. The rate of profit on these treasury bills is 7.75% to 7.72% (June 2018: varies from 6.22% to 6.76%) per annum.		
15 EARNING PER SHARE - BASIC & DILUTED			
		For the quarter ended	
		September 30, 2018	September 30, 2017
		—Rupees—	
Profit for the quarter		<u>168,343,996</u>	<u>195,109,454</u> (Restated)
		—No. of Shares—	
Weighted average number of ordinary shares		<u>106,090,000</u>	<u>106,090,000</u>
Earnings per share - basic and diluted - Rupees		<u>1.59</u>	<u>1.84</u>
		Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
16 OTHER RECEIVABLES			
Receivable from ITMinds Limited - Subsidiary		8,588,948	4,682,951
Receivable from CDC Trustee Company Limited - Subsidiary		233,902	135,000
Receivable from National Clearing Company of Pakistan Limited - Associated Company		200,000	1,390,550
Others		8,881,955	7,544,947
		<u>17,904,805</u>	<u>13,753,448</u>

Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

	Note	For the quarter ended Un-audited	
		September 2018 Rupees	September 2017 Rupees
17 CASH AND CASH EQUIVALENTS			
Cash and bank balances	17.1	53,502,497	76,397,710
Short term investments		<u>3,026,401,213</u>	<u>2,699,669,668</u>
		<u>3,079,903,710</u>	<u>2,776,067,378</u>

17.1 Bank balance include Rs. 18.7 million (2018: 5.99 million) held with related parties.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes major shareholders, associated companies with or without common directors, retirement benefit funds, directors, key management personnel and their close family members.

Aggregate transactions and balances with related parties and associated undertakings which are not disclosed elsewhere in the notes are as follows:

	For the quarter ended Un-audited	
	September 30, 2018 Rupees	September 30, 2017 Rupees
Material transactions with the related parties are given below:		
Rent expense:		
- Pakistan Stock Exchange Limited	1,200,000	1,805,853
- LSE Financial Services Limited	-	238,284
	<u>1,200,000</u>	<u>2,044,137</u>
Rent of premises paid to:		
- Pakistan Stock Exchange Limited	-	1,805,853
- LSE Financial Services Limited	-	238,284
	-	<u>2,044,137</u>
Mark-up earned - Associated companies	<u>90,478</u>	<u>4,613</u>
Remuneration to key management personnel	<u>53,884,889</u>	<u>39,539,810</u>
Directors fee paid during the period	<u>2,125,000</u>	<u>3,460,000</u>

The shareholders and directors of the Company are acting as CDS elements in their normal course of business. Total revenue from transactions in CDS relating to shareholders and directors are as follows:

	For the quarter ended Un-audited	
	September 30, 2018 Rupees	September 30, 2017 Rupees
Shareholders	<u>19,178,938</u>	<u>49,556,709</u>
Directors	<u>278,659</u>	<u>97,222</u>

Central Depository Company of Pakistan Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended September 30, 2018

	For the quarter ended Un-audited	
	September 30, 2018 Rupees	September 30, 2017 Rupees
Billings to the companies which are associated by virtue of common directorship.	5,284,704	16,534,134
Contributions to retirement benefit plans	17,257,994	15,702,723
Transaction with Pakistan Institute of Corporate Governance (PICG) - Annual subscription	-	100,000
Transactions with Pakistan Stock Exchange - Auditorium charges	37,500	-
Transactions with LSE Financial Services Limited - Directors travelling, Electricity & generator charges	386,324	112,685
Transactions with ISE REIT Management Limited - Utilities	815,074	815,702
Transactions with NCCPL - Electricity & generator charges	1,560,999	2,540,936
Transaction / Balance with ITMinds Limited - Subsidiary		
Balance as at July	4,682,950	2,898,819
Transactions - net	13,905,999	14,111,556
Payment received	(10,000,000)	(13,000,000)
Balance as at September	8,588,949	4,010,375
Security deposit held by the Company for subsidiary's CDS eligibility	12,500	12,500
Transaction / Balance with CDC Trustee Company Limited - Subsidiary		
Balance as at July	135,000	130,240
Transactions - net	233,902	103,250
Payment received	(135,000)	(130,240)
Balance as at September	233,902	103,250
Security deposit held by the Company for subsidiary's CDS eligibility	12,500	12,500
Transaction / Balance with eClear Services Limited - Subsidiary		
Balance as at July	-	8,872,527
Transactions - net	-	193,469
Payment received	-	-
Balance as at September	-	9,065,996

The company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using the comparable uncontrolled valuation method.

The company has not entered into any transaction with senior executives other than those provided under the company's policies and terms of employment.

19 SEGMENT INFORMATION

The basis of segmentation and reportable segments presented in this condensed interim financial information are the same which are presented to Board of Directors. Assets and liabilities are not segment wise reported to Board of Directors.

	Unaudited				Total
	Quarter ended September 30, 2018				
	Depository Services	Trustee and Custodial Services	Share Registrar Services	Others	
	Rupees				
Revenue	285,296,501	169,355,307	27,078,831	55,275,836	537,006,475
Depreciation and amortization	39,060,938	2,285,495	1,537,052	-	42,883,485
Other operating and administrative expenses	132,076,299	83,201,257	28,612,813	6,255,816	250,146,185
Net profit before tax	114,159,264	83,868,555	(3,071,034)	49,020,020	243,976,805

	Unaudited				Total
	Quarter ended September 30, 2017				
	Depository Services	Trustee and Custodial Services	Share Registrar Services	Others	
	Rupees				
Revenue	351,915,131	163,689,646	20,379,268	40,599,915	576,583,960
Depreciation and amortization	32,146,625	1,811,421	1,209,312	-	35,167,358
Other operating and administrative expenses	128,225,374	88,540,218	25,975,995	7,466,875	250,208,462
Net profit / (loss) before tax	191,543,132	73,338,007	(6,806,039)	33,133,040	291,208,140

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or the most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

20.1 Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in 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: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

20.2 Financial assets and liabilities

The following table shows the Levels within the hierarchy of the financial assets measured at fair value on a recurring basis at September 30, 2018 and June 30, 2018.

		September 30, 2018				
Note	Carrying value	Level 1	Level 2	Level 3	Total	
----- Rupees -----						
Financial assets measured at fair value						
Available for sale securities						
- Term Deposit Certificates	14	1,107,249,101	-	1,107,249,101	-	1,107,249,101
- Treasury Bills	14	1,919,152,112	-	1,919,152,112	-	1,919,152,112
Other Assets		1,019,525,572	-	-	-	1,019,525,572
		<u>4,045,926,785</u>	-	<u>3,026,401,213</u>	-	<u>4,045,926,785</u>
		June 30, 2018				
Note	Carrying value	Level 1	Level 2	Level 3	Total	
----- Rupees -----						
Financial assets measured at fair value						
Available for sale investments						
- Term Deposit Certificates	14	1,159,133,555	-	1,159,133,555	-	1,159,133,555
- Treasury Bills	14	1,817,115,522	-	1,817,115,522	-	1,817,115,522
Other Assets		894,921,846	-	-	-	894,921,846
		<u>3,871,170,923</u>	-	<u>2,976,249,077</u>	-	<u>3,871,170,923</u>

20.3 Information about valuation technique and inputs used

Item	Valuation technique and inputs used
Term Deposit Certificates	A deposit at a bank or other financial institution that has a fixed return (usually via an interest rate) and a set maturity. That is, the depositor does not have access to the funds until maturity; in exchange, he/she is usually entitled to a higher interest rate. One of the most common examples of a term deposit is a certificate of deposit. It is also called a time deposit.
Pakistan Investment Bonds and Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page)

The following table shows the Levels within the hierarchy of the non-financial assets measured at fair value on a non-recurring basis at September 30, 2018 and June 30, 2018.

September 30, 2018					
Note	Carrying value	Level 1	Level 2	Level 3	Total
----- Rupees -----					
Non-Financial assets					
Land-lease hold	549,999,000	-	-	549,999,000	549,999,000
Building	513,419,346	-	-	513,419,346	513,419,346
	<u>1,063,418,346</u>	<u>-</u>	<u>-</u>	<u>1,063,418,346</u>	<u>1,063,418,346</u>

June 30, 2018					
Note	Carrying value	Level 1	Level 2	Level 3	Total
----- Rupees -----					
Non-Financial assets					
Land-lease hold	549,999,000	-	-	549,999,000	549,999,000
Building	521,479,997	-	-	521,479,997	521,479,997
	<u>1,071,478,997</u>	<u>-</u>	<u>-</u>	<u>1,071,478,997</u>	<u>1,071,478,997</u>

21 DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the board of directors' in their _____ meeting held on _____.

22 GENERAL

The figures have been rounded off to the nearest rupee.



Chairman



Chief Executive Officer

