

ISE TOWERS REIT  
MANAGEMENT COMPANY LIMITED

**ANNUAL REPORT  
2023**

# GROW WITH



# ANNUAL REPORT 2023



**ISE  
REIT**

**ISE TOWERS REIT  
MANAGEMENT COMPANY LIMITED**

(Formerly Islamabad Stock Exchange Limited)



[www.isereit.com.pk](http://www.isereit.com.pk)

# GROWTH



# VISION

To be the leading and most reliable, innovative and forward looking real estate investment trust in Pakistan delivering value to its shareholders ensuring sustainable returns, and commitment to all stakeholders by providing state of the art property solutions.

# MISSION

- To achieve excellence in quality and service being provided to users of ISE REIT properties.
- To continuously improve and embrace latest technology and systems for providing a modern work space.
- To provide best value in returns with long term sustainability to our shareholders and investors.
- To provide excellent growth opportunities to our employees, suppliers and vendors and work towards common objective of mutual development.

# OUR CORE VALUES

**Our core values include:**

Highest standards of ethics & integrity;

Commitment to all stakeholders;

Commitment to improved environment;

Commitment to our team with open communication;

Equal opportunity and fairness to all.



**Good Governance**



**Integrity**



**Ethics**



**Fairness**



**Commitment**



**Equal Opportunity**



**Transparency**



**Teamwork**



**Open Communication**



**Improved Environment**

# GROWTH

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GROWTH





**COMPANY  
INFORMATION**

**G R O**



# BOARD OF DIRECTORS



**Mr. Zahid Latif Khan, Chairman - Non Executive Director**  
**Mr. Sagheer Mushtaq, Chief Executive Officer**  
**Mr. Aamer Riaz, Independent Director (Not in picture)**  
**Mr. Adil Khan Swati, Non Executive Director**  
**Mr. Farooq Zafar, Non Executive Director**  
**Mr. Farrukh Younas Khan, Non Executive Director**  
**Ms. Farzin Khan, Independent Director**  
**Malik Qamar Afzal, Independent Director (Not in picture)**  
**Sardar Aman Khan, Non Executive Director (Not in picture)**  
**Mr. Shauzab Ali, Independent Director**  
**Mr. Sohail Altaf, Non Executive Director**  
**Mr. Zeeshan Shafique, Company Secretary/CFO**

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
MCB Bank Limited  
JS Bank Limited  
Summit Bank Limited  
United Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Meezan Bank Limited

## Auditors

**BDO Ebrahim & Co.**  
Chartered Accountants

## Legal Advisors

**M/s. Hassan & Hassan (Advocates)**  
**M/s. Hassan Kaunain Nafees (Legal Practitioners and Advisers)**

## Share Registrar:

**CDC Share Registrar Services Limited**  
CDC House, 99-B, Block B, S.M.C.H.S. Main Shahr-e-Faisal, Karachi.

## Registered Office

55-B, ISE Towers, Jinnah Avenue, Islamabad-44000, Pakistan

Tel: +(92-51) 111 473 473

E-mail: [info@isereit.com.pk](mailto:info@isereit.com.pk)

[www.isereit.com.pk](http://www.isereit.com.pk)



## BOARD OF DIRECTORS



### Zahid Latif Khan

*Chairman &  
Non Executive Director*

**Zahid Latif Khan** serves as the founding chairman of Zahid Latif Khan Securities (Private) Limited, widely known as ZLK Securities, a brokerage firm renowned for its reliability in Pakistan. ZLK Securities boasts the most extensive network in the Northern region and has been dedicated to serving its esteemed clients both nationally and internationally for more than three decades.

Educated in the field of science, Mr. Khan is an alumnus of the National Defense University (NDU) in Islamabad, where he participated in the National Security Workshop – 3. He holds the title of Certified Director from the Institute of Cost and Management Accountants of Pakistan (ICMA) and possesses specialized certifications in capital markets from the United Nations Institute of Training & Research (UNITAR) and the Pakistan Institute of Management. Mr. Khan initiated his investment career in 1990 and subsequently established his own stock brokerage firm in 1994. Beyond his impressive business achievements, Mr. Khan has held prominent positions within capital markets and financial institutions. He currently serves as the Chairman of ISE Tower REIT Management Company Ltd and the Chairman of LSE Financial Services Limited. Additionally, he holds the position of Vice Chairman of the Pakistan Stock Brokers Association and serves as a director on the boards of Pakistan Mercantile Exchange

Limited and National Clearing Company of Pakistan Limited.

Remarkably, Mr. Khan played a pivotal role in the consolidation of the Karachi, Lahore, and Islamabad stock exchanges into a unified platform known as the Pakistan Stock Exchange. This integration has significantly benefited investors by providing a single, highly effective, and more expansive capital market.

Mr. Khan's extensive knowledge of capital markets and his forward-thinking approach have earned him the prestigious role of Honorary Coordinator (Business Liaison) to the Federal Tax Ombudsman (FTO) Secretariat. He also serves as the Chairman of the Asian Institute of Eco-civilization Research and Development (AIERD), with a vision to foster discourse on emerging Asia, China, eco-civilization, and shifting global dynamics. His efforts aim to create high-quality knowledge, constructive engagement, and proactive advocacy for improved and refined policy frameworks.

Mr. Khan actively contributes to raising awareness about the stock market and financial literacy among the general public. His vision includes increasing overall participation in Pakistan's Equities Market, particularly among younger audiences. To achieve this, he seeks to promote



## BOARD OF DIRECTORS

financial inclusion, enhance access to useful and affordable financial products and has signed Memorandums of Understanding (MoUs) with various universities to facilitate the exchange of learning resources and bridge the gap between academia and the financial industry.

Formerly, Mr. Khan served as the President of the Rawalpindi Chamber of Commerce and Industry, where he played a significant role in promoting economic and trade relations with the international community. He is a key influencer in Asian and

Central Asian Republics and regional economic corridors, leveraging Pakistan's strategic position. He has led several delegations abroad to expand bilateral trade ties and maintains close and friendly relationships with the diplomatic community in Pakistan.

Recently, Mr. Khan has been appointed as a Director of the Hajira Hamza Foundation, a role he deeply values for its impact on thalassemia patients and his commitment to this noble cause.



## BOARD OF DIRECTORS



### Sagheer Mushtaq

*Chief Executive Officer*

**Sagheer Mushtaq** is the Chief Executive Officer of the Company. He joined the Company as Chief Operating Officer during January 2017. He is very instrumental for launch of REIT scheme, formation of business strategy, evaluation and appraisal of new projects, financial management/ modeling, budgeting and forecasts etc.

He has over sixteen years of diversified experience in the field of finance, operation and regulatory compliance. He started his career with Islamabad Stock Exchange (ISE) in the finance department during the year 2007 and worked in different positions including Risk Manager, Chief Financial Officer and Chief Regulatory Officer. While

associated with ISE, he leads various assignments including demutualization of exchange from guarantee limited to company limited by shares, setting up of regulatory affairs department and was instrumental in developing the internal control policies and systems and effective compliance function. Earlier to joining the Company, he was associated with Pakistan Stock Exchange as Regional Head of Islamabad and Lahore region.

He is a faculty member of Institute of Cost & Management Accountants of Pakistan and a commerce graduate from Bahauddin Zakariya University Multan.



## BOARD OF DIRECTORS



### Lt. Gen. Aamer Riaz (Retd)

*Independent Director*



**Lt. Gen. Aamer Riaz (Retd)** commissioned in Pakistan Army in 1984. He commanded two corps, one on western border and one on the eastern border. He held various higher staff assignments namely chief of staff of a corps and Director General Military Operations Directorate at GHQ. He held instructional assignments at various military institutions and also remained president of National Defence University Islamabad. He holds Masters degrees in Art and science of warfare and War studies. He participated in UN peace keeping operations in Africa. During his service, remained engaged in military diplomacy to bring peace and stability in the region.

General has speaking engagements at several civil and military institutions.

He is also a member board of governors of a newly established National University of security sciences NUSS.

General has been the president of DHA Quetta, where he conceived the idea of a modern housing

at a key location on one of the important routes of CPEC to encourage local and foreign investors to invest in industry and businesses in this otherwise a less developed region.

He has also been President of DHA Lahore, where in his time the first REIT based project (Dolmen Mall), which is now reaching fruition, was conceived.

General is also president of Euro Oil, a Lahore based OMC.



## BOARD OF DIRECTORS



### Adil Khan Swati

*Non Executive Director*

**Adil Khan Swati** is an elected Non-Executive Director of the Board of ISE Towers REIT Management Company Limited. As Board member, Mr. Adil is playing a significant role for determining and implementing policies and making decisions for the development of the Company. He is the member of Audit Committee and Nomination Committee. He was also a member of Building Maintenance Committee of the Company. As a member of this Committee, he is making effective contributions for improvement of services standards of ISE Towers.

Adil Khan Swati has a diversified experience in Capital market, Commodity market, Manufacturing industry, Real Estate and Events Management Business. He has been managing Pine Group of Companies since 2009. He is holding portfolio of Pine Commodities (Private) Limited as Chief Executive Officer/Director since December 2009. He has been the Chief Executive of Pine Securities (Private) Limited. Mr. Adil has successfully managed stock brokerage business since January 2010. Beside that he is also a Director of Pine Match (Private) Limited, a leading manufacturer of safety matches in Pakistan. He has made valuable contributions for strengthening the internal controls of the company. Recently he has also initiated a pharmacy business under the name and style of

Pine Pharmacy with a vision to provide high quality medicines and surgical stuff at affordable prices.

Adil Khan Swati has been awarded Pakistan's Market Regulation & Commodity Broker's Certification from Institute of Capital Market (ICM). He has gained Masters degree in Business Administration from United Kingdom and has also studied various levels of Association of Chartered Certified Accountants (ACCA). He has served as an Audit Associates in BDO International, Chartered Accountants. During his experience as an audit associate he has gained hands on experience in multi-dimensional industries and financial institutes. Mr. Adil Khan Swati has excellent leadership, motivational, time management, analytical and interpersonal skills which make him a successful businessman.

Apart from business, Adil is a social activist. He likes to indulge in social causes. Green environment and poverty eradication are his special focus of attention. He has initiated multiple programs to help and empower poor masses for earning sustainable livelihood. His philanthropist activities are based on his philosophy to serve humanity.



## BOARD OF DIRECTORS



### Farooq Zafar

*Non Executive Director*



**Farooq Zafar** is an elected Non-Executive Director of ISE Towers REIT Management Company Limited. In the past, he has been elected thrice to the Board of Directors of the erstwhile Islamabad Stock Exchange, one term as the Vice-President (1995) and two consecutive terms as the company's Chairman (1998, 1999).

Mr. Zafar holds a Bachelors Degree in Economics from the Punjab University and a Masters Degree in Business Management from the Asian Institute of Management, Manila, Philippines.

Mr. Zafar has 15 years of international banking experience, having worked with the Bank of Credit and Commerce International from 1976 to 1991, in Hong Kong, Manila, Bangkok, Grand Cayman, Abu Dhabi and Beijing.

As Vice-President of Islamabad Stock Exchange, in 1995, Mr. Zafar was responsible for ISE being the first Exchange in Pakistan, to commence computerized trading. In 1998 and 1999, as

Chairman of ISE, he worked extensively with the SECP, to implement capital market reforms prescribed by the Asian Development Bank. The most important reform was, to restrict the executive powers of the Board of Directors and its Chairman, to policy-making and appoint a non-Member Chief Executive, in order to satisfy the SECP and ADB concerns that the role of the policy-making Board of Directors should not overlap with the role of the executive management of the Exchange.

Mr. Zafar was responsible for having American Management Association's Pakistan office set-up in Islamabad. American Management Association (AMA) is the largest management training company in the world, headquartered in New York. He served AMA as its Director Finance.

In addition to Pakistan, Mr. Zafar has lived in the United States, Soviet Russia, Hong Kong, Philippines, United Arab Emirates and the Peoples Republic of China. He speaks fluent Russian and has working knowledge of Mandarin, Cantonese and Tagalog.



## BOARD OF DIRECTORS



### Farrukh Younas Khan

*Non Executive Director*

**Farrukh Younas Khan** is an elected Non-Executive Director of the Board of ISE Towers REIT Management Company Limited for a term of 2022-2025. He has already served as NED on the Board of the Company during 2016-2019 and 2019-2022 terms. Besides, being a member of the Board of Directors, he is also a member of the HRR Committee, Audit Committee and Risk Management Committee of ISE Towers REIT Management Company. Further, he has been actively involved as member of Fire & Safety Committee. Previously, he was also the member of Building Management and Revenue Generation Committee of the Company.

He had been running a brokerage house of Pakistan Stock Exchange Limited. He is the Chief Executive of Y. S. Stocks (Pvt) Limited. He was also the Chief Executive and Director of MF Stocks (Pvt) Limited. He is also presently serving on the Board of Directors of Digital Custodian Company Limited, an associate of the Company.

Farrukh Younas Khan has been in the business of stocks/securities for thirty years, at Lahore Stock Exchange, Islamabad Stock Exchange and Pakistan Stock Exchange. He has been an elected Director of former Islamabad Stock Exchange thrice. He was also a member of the Demutualization Committee of the Islamabad Stock Exchange. As a member of the said Committee, he devotedly participated in the proceedings of the Committee

for the corporatization, demutualization and finally integration of ISE. He was also the member of the Arbitration Committee of the erstwhile Islamabad Stock Exchange. He has also been the trustee on the Board of ISE Settlement Protection Fund Trust since 2016.

He served as a Member of the Executive Committee of Rawalpindi Chamber of Commerce and Industry (RCCI) for a term 2020-2022. He is also Corporate Member of various Committees of Rawalpindi Chamber of Commerce and Industry (RCCI). He is the Chairman of Capital and Mercantile Market of RCCI for the term 2022-2024. He already served as Chairman of Capital and Mercantile Market of RCCI for the term 2018-2019. He was also the member of Administration and Banking Committees of RCCI.

Farrukh holds vast exposure in the field of administration, arbitration, building management, business management, banking operations and human resource management. He is also a certified Director by the Institute of Cost and Management Accountant of Pakistan (ICMA), a duly licensed body for the purpose by SECP in terms of Code of Corporate Governance. He has participated in various professional training courses and seminars. He is an effective negotiator and possesses excellent relationship building, interpersonal, organizational, analytical and leadership skills.



## BOARD OF DIRECTORS



### Farzin Khan

*Independent Director*

**Farzin Khan** is presently serving as National Consultant – Programme Management and Stakeholder Coordination Expert at United Nations Office on Drugs & Crime (UNODC) Pakistan. Previously, she has served as National Programme Manager - AML and FATF Support for Pakistan with UNODC from 2019 till 2021. In her former roles, she successfully completed her tenure as Deputy Chief of Project for USAID's Financial Market Development (FMD) Project from 2016 till 2019. In these recent roles with leading donors in the development sector, she has handled extensive support portfolios at national level for various regulatory and financial institutions and gained extensive experience of Financial Oversight & Regulation, Compliance & Corporate Governance, Stakeholder Communications & Advocacy, Project Management & AML/CFT Compliance mechanisms.

Ms. Farzin possesses fifteen years of local and regional experience across legal & regulatory enforcement agencies, regional governmental bodies and donor sectors. She has served for ten years as the Deputy Secretary General of the South Asian Federation of Exchanges (SAFE)-an industry association comprising of 24 securities market institutions from South Asia as well as from Mauritius and UAE. In earlier assignments, she worked in a number of national level regulatory institutions such as the Competition Commission of Pakistan (CCP) as well as the Securities and Exchange Commission (SECP).

In 2016 she worked as a consultant on a number of corporate governance assignments and successfully graduated as a Certified Director from the Lahore University of Management Sciences (LUMS) as per SECP approved program. She is currently serving as an independent director on the boards of Postal Life Insurance Company Ltd. (PLIC) and Citi Pharma Ltd, Ghani Global Holdings Ltd. as well as ISE Real Estate Management Trust (ISE REIT Management Company Ltd).

She holds an MBA in Finance as well as a Masters in Financial Management from the University of Bedfordshire Business School, United Kingdom, besides having attended many other professional development programs, seminars and conferences. She has the distinction of being an IVLP Scholar under the United States funded Program on Financial Reforms.

Alongside her professional accomplishments, she is happily married for eighteen years and has a fifteen-year-old son. In her own words she greatly values work life balance and never fails to stand for promoting gender equality and an enabling rather encouraging environment for female professionals and leaders.



## BOARD OF DIRECTORS



### Malik Qamar Afzal

*Independent Director*

**Malik Qamar Afzal** is a foreign qualified law graduate and have been engaged in legal practice for over 36 years and have appeared before all levels of the judicial hierarchy. He has over twenty thousand cases to his credit associated with corporate, commercial and constitutional matters. He has also skillfully represented major corporate clientele and several multinational companies, while remaining a member of the film censor board for a period of ten years. He has also been the Nominee Director of SECP on the Board of erstwhile Islamabad Stock Exchange.

In addition, he has concurrently been a law professor for a period of more than twenty-five

years at the Punjab Law College, and have had the honor to present lectures at several institutes, covering renowned universities, as well as the National Police Academy, and have authored several published articles on law and ethics. He is heading a full-service law firm that is also currently representing all the major real estate developers, while providing consultancy to several major construction projects in Islamabad. His vast experience in the realm of Law and Justice, Litigation and the Corporate sector entitles him to be identified as an expert in the field.



## BOARD OF DIRECTORS

**Sardar Aman Khan***Non Executive Director*

**Sardar Aman Khan** is an elected Non-Executive Director of the Board of ISE Towers REIT Management Company Limited. With having more than twenty years of experience in real estate especially high rise and multistory buildings, he managed various projects in real estate construction and development. He also managed several projects of coal mining in KPK district. Being a Development Director of M/S Moonlight

Construction (Pvt.) Limited, he is currently developing few projects in Saddar, Blue Area, Islamabad Expressway and in Muree., worth billions of rupees.

He is BBA (Hons) qualified from Bahria Institute of Management & Computer Sciences Islamabad being affiliated with University of Peshawar.



## BOARD OF DIRECTORS



### Shauzab Ali

*Independent Director*

**Shauzab Ali** is a Chartered Accountant with overall experience of more than 29 years in field of banking, finance, financial markets regulation, public policy, accounting and auditing. During his professional career he has worked at key positions in corporate and financial sector regulator, multilateral bank, foreign bank, local bank, nonbanking finance companies, stock exchange and chartered accountant firm. Diversity and depth of his professional experience provides him a unique skill sets which will prove instrumental in the strategic, advisory and leadership role.

In his role as Commissioner SECP was most the challenging in his professional career, in which he did several unprecedented reforms having far reaching impact on financial and capital markets. He handled the portfolio of securities market, specialized companies and technology. Drove fundamental changes in REIT regulations which included allowing borrowing to REITs, permission for private REITs and many other changes which can help in triggering growth in the sector. For the first time created a working group on Fintech and Infrastructure Financing which included eminent market professionals like Nadeem Hussein (Coach Planet N), Zafar Masud (CEO-BOP) and Nadeem Babar (Former- Energy Minister). The proposed changes in the legal framework at multiple levels and across different streams resulted in significant and meaningful impact in the startups. These changes also played its part in historic venture capital investments to the tune of USD 375 million (approximately) in 2021.

As head of technology made new IT strategy, mobilized PKR 1.5 billion grant from DFID for complete revamping and digitization of SECP, implemented STR systems in record time of 2 months. As Commissioner of Securities Market made fundamental changes in Primary and Secondary markets. Changes in primary market regulations resulted in highest numbers of IPOs in 2021 after 11 years. During 2020 capital raised through PSX was greater than banks which is very unusual. Reforms in secondary markets enabled

revived activity and enhanced volumes which touched historically highest levels.

Before that he was heading Financial Sector Unit for Pakistan in Asian Development Bank in which he worked with Federal Government and Provinces on Public Private Partnership and Infrastructure Financing space in addition to working with State bank of Pakistan, SECP and other financial sector entities. He assisted in processing of loans in excess of USD 3 billion which also initiated fundamental public policy reforms, changes and initiation of new laws, institutional strengthening and capacity building.

He was Executive Director of Standard Chartered Bank in Corporate Banking and in that I was principal relationship manager for Government. He was also incharge of banking relationships of corporates and multinationals. Before that he stayed for more than 6 years at Allied Bank in various senior positions in investment banking, corporate banking and finance. He was also CFO, company secretary of a listed investment bank and led the acquisition and operationalization of brokerages of Lahore and Karachi Stock Exchange. He remained CFO of Lahore Stock Exchange for 6 months in 2001.

He has strong qualification and most diverse experience of financial/capital market, public policy, finance, regulation of capital markets and auditing. He has worked as most senior regulatory position working as representative of Federal Government. Worked with international multilateral organization in which his roles for public policy advisory. He has deep understood structuring of complex transactions and closure of large transactions. This included some of the largest deals in the banking history of the country. His experience includes working with international bank, local bank, investment bank, leasing company and stock exchange, all those positions were very senior and played key role in transforming organizations.



## BOARD OF DIRECTORS



### Sohail Altaf

*Non Executive Director*



**Sohail Altaf** is an elected Non-Executive Director. He has already served as NED on the Board of the Company during 2016-19 and 2019-2022 terms. Mr. Sohail Altaf is the Chief Executive of Central Motors, Rawalpindi.

Sohail is a Life Member of Federation of Pakistan Chamber of Commerce and Industry since 1998. He is Member of various trade and commercial bodies such as PAK AFGHAN Trade Committee, PAK CHINA Business Council, Board of Investment, Standing Committee on Arts & Culture, Rawalpindi Chamber of Commerce & Industry, Federal Tax Ombudsman (FTO) Advisory Committee. He has been the President Pakistan Vocational Training Institute and Rawalpindi Chamber of Commerce and Industry. He also held the position of Vice President & Zonal Chairman, Federation of Pakistan Chambers of Commerce & Industry, Islamabad Office and also led its various bodies and standing committees. Earlier he was a Pilot Officer in Pakistan Air Force. He is a famous figure in business circles of Pakistan. He has been the

part of various official delegations of Pakistan lead by heads of Government and Federal Ministries and visited Iran, Afghanistan, Thailand and Bangladesh. He also represented Pakistan Trade Delegations to Australia, Singapore, Thailand, Indonesia, Malaysia, Kazakhstan, Kyrgyzstan, Japan, Saudi Arabia, Turkey, Greece, UAE, Italy, Argentina, Brazil, USA, UK, Jordan, Cyprus, Sri Lanka, Yemen, China, Egypt and Vietnam.

He has also participated in First National Security Workshop held under the auspices of National Defense College spanning over six weeks. He also won Life Time achievement award of the year 2015 by Rawalpindi Chamber of Commerce and Industry. The President of Pakistan awarded Gold Medal to him in recognition of Meritorious Services for Business Community at FPCCI Award Ceremony on 27th August 2002. The Prime Minister of Pakistan also awarded him Gold Medal in recognition of meritorious services for business community at FPCCI Award Ceremony on 09th August 2004.



## EXECUTIVE MANAGEMENT



### **Zeeshan Shafique**

*Company Secretary/  
Chief Financial Officer*

**Zeeshan Shafique**, Associate Chartered Accountant (ACA), is the Company Secretary and CFO of ISE Towers REIT Management Company Limited. He joined the Company as Head of Internal Audit in February 2017 and appointed as Company Secretary/CFO on February 2022. With cumulative work experience of over 15 years in audit / assurance, he gained expertise in external/internal auditing, internal controls evaluation and risk management.

He took initial training in accounting, auditing, taxation and financial management from AF. Ferguson & Co. Chartered Accountants (member firm of PwC) Islamabad and qualified as a Chartered Accountant in 2015 from the Institute of Chartered Accountant of Pakistan. He obtained certifications in MS Office tools, presentation & communication skills and also regularly attends courses and seminars on different professional subjects as a part of Continuing Professional Development program.

Prior to joining ISE REIT, he was associated with Premier Group of Companies (Pakistan's oldest Commerce & sugar industry since 1950) as Assistant General Manager, Internal Audit department.



### **Syed Nayyar Ashfaq**

*Senior Manager  
Operations & Admin*

**Syed Nayyar Ashfaq** has been associated with ISE Towers REIT Management Company Limited (Formerly Islamabad Stock Exchange Limited) from 1992 to 2001 and from 2006 to date as Senior Manager, Operations & Administration of ISE Towers. He is Master of Business Administration. He also holds Diploma in Human Resource Function Professional (HRFP) from Shaheed Zulfiqar Ali Bhutto Institute of Science & Technology (SZABIST), Islamabad. He possesses excellent administration and management skills. He is the overall incharge of Operations and Maintenance Department of the Company. Being the Senior Manager (Department of Operations and Maintenance-ISE Towers), his major responsibility is to ensure the smooth functioning/operations of ISE Towers.

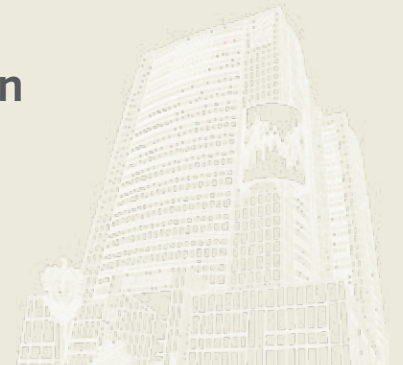


## EXECUTIVE MANAGEMENT



### Lt. Col (R) Fateh Khan

*Chief Security Officer/  
Manager HSE*

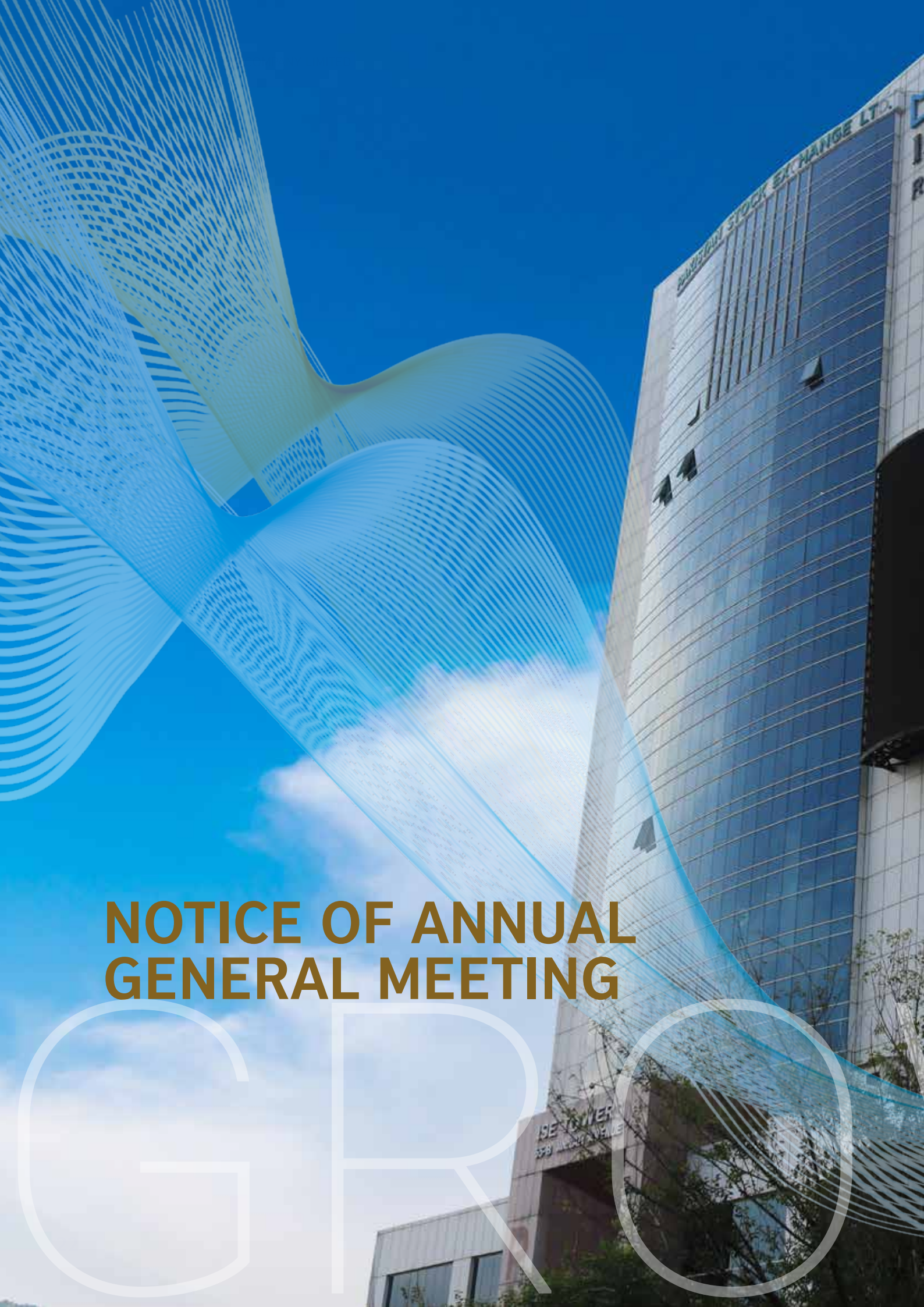


**Lt Col Fateh Khan (Retd)** is the Chief Security Officer/Manager HSE of the Company since February 2021. He is a highly experienced security professional and served on various challenging command and staff appointments during military service. He has also served in United Nations as Military Observer during Peace Keeping Mission abroad. Prior to joining ISE REIT, he has been GM HR & Admin of Trillium Pvt Ltd and Manager Administration/Security in Askari Cement and Fatima Group of Companies. His experience towards security and HSE matters made a valuable contribution and created congenial/secure business environment. He holds master degree in International Relationship. He is Graduate of Command and Staff College Quetta. He also attended various professional military courses in Pakistan as well as training abroad on character, influence and management.

## MANAGEMENT TEAM







# NOTICE OF ANNUAL GENERAL MEETING

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# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of ISE Towers REIT Management Company Limited (the Company) will be held on Friday, October 27, 2023 at 03:30 p.m. at the registered office of the Company, 55-B, Jinnah Avenue, Islamabad in ISE Towers Auditorium to transact the following business:

## Ordinary Business:

- 1) To confirm the minutes of 33<sup>rd</sup> Annual General Meeting of the Company held on November 21, 2022.
- 2) To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.
- 3) To consider and approve the final cash dividend at the rate of Re. 0.93 per share i.e. (9.3%) for the year ended June 30, 2023, as recommended by the Board of Directors.
- 4) To appoint Auditors of the Company for the year ending June 30, 2024 and to fix their remuneration.

## Special Business:

- 5) To consider, and if deemed fit, pass with or without any amendment/modification, the following special resolution to approve the change of registered address of the Company from Islamabad Capital Territory to the province of Sindh and to approve consequential amendment in the Memorandum of Association of the Company:

Resolved that the registered office address of the Company be and is hereby approved to be changed from 55-B, ISE Towers, Jinnah Avenue, Islamabad-44000, Pakistan to Office 206, 2nd Floor, M. Yousaf Chamber, Block 7 & 8, K.C.H.S.U., Off Shahra-e-Faisal, Karachi and clause II of the Memorandum of Association of the Company be and is hereby altered by substituting it with the following clause:

*"The Registered Office of the Company will be situated in the province of Sindh."*

**Further Resolved that** the Chief Executive and Company Secretary be and are hereby authorized jointly and severally to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the above resolution."

(A statement as required by Section 134(3) of the Companies Act, 2017, in respect of the special business to be considered at the Annual General Meeting is annexed to the notice thereof.)

By order of the Board



**Zeeshan Shafique**  
Company Secretary

Islamabad: October 06, 2023



## NOTES:

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

- a) The Share Transfer Books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days inclusive). Transfers approvals received at the Company's Shares Registrar office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, by the close of business on October 19, 2023 will be treated in time for the purpose of determining the entitlement for the payment of final cash dividend and to attend the Annual General Meeting (AGM).

### 2. FOR ATTENDING THE GENERAL MEETING:

- a) A member entitled to attend the AGM may appoint another member of the Company as his / her proxy to attend the AGM. A proxy form is enclosed. Proxies, in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of holding the meeting i.e., on or before 03:30 p.m. October 25, 2023.
- b) In case of individuals, the account holder or sub-account holder and / or the persons whose securities are in joint account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the AGM.
- c) In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced at the time of the meeting for participation in the AGM.

### 3. DEDUCTION OF INCOME TAX FROM DIVIDEND:

- a) Tax at source on dividend income will be deducted as per applicable tax rates on filers and non-filers under section 150 of the Income Tax Ordinance, 2001.
- b) In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted based on shareholding of each joint holder as may be notified by the shareholder in writing to our Share Registrar as per following format, or in case of no notification, each joint holder shall be assumed to have an equal number of shares.

Folio/CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC no.	Shareholding proportion (No. of Shares)

- c) To enable the Company to make tax deduction on the amount of cash dividend, all the members whose names are not entered into the Federal Board of Revenue's (FBR) Active Tax-Payers List (ATL) are advised to make sure that their names are entered into the ATL, before the date of book closure for cash dividend; otherwise, tax on their cash dividend will be deducted as non-filer.
- d) Members seeking exemption from deduction of income tax or eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be, to the Company's Share Registrar.

### 4. EXEMPTION FROM DEDUCTION OF ZAKAT:

Members desiring non-deduction of zakat are requested to submit a valid declaration for non-deduction of zakat (if applicable) with the Share Registrar of the Company / their respective CDC Participant/CDC accounts maintaining authorities for the same before the book closure date.



## NOTICE OF ANNUAL GENERAL MEETING

### 5. TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive annual reports along with notice of AGM electronically through email. Hence, members who are interested in receiving the annual reports and notice of AGM electronically in future are requested to inform their email addresses along with consent form to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

### 6. CHANGE OF ADDRESS:

Members are requested to promptly notify any change of address to the Company's Share Registrar.

### 7. AVAILABILITY OF ANNUAL ACCOUNTS ON COMPANY'S WEBSITE:

The annual audited financial statements of the Company for the year ended June 30, 2023 are also being made available on the Company's website (<https://isereit.com.pk>) in addition to annual and quarterly financial statements for the prior years.

### 8. PAYMENT OF DIVIDEND:

- a) In terms of Companies (Distribution of Dividend) Regulations, 2017, dividend payable in cash may be paid through either of the three modes chosen by the respective shareholder via its mandate viz. i) direct transfer into the designated bank account; or ii) dividend warrant; or iii) cross cheque. If any shareholder wishes to change the mandate provided, it shall do so in writing to the Registrar of the Company which shall become applicable and effective for any future cash dividend payouts. Moreover, if any shareholder wishes to get the cash dividend through electronic mode directly into bank account, such shareholder is requested to update requisite details as per following format with relevant CDC account maintaining authority:

#### E - Dividend Mandate

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

#### Shareholder's Detail

Name of shareholder:  
 Folio No./CDC Participants ID A/c No.:  
 CNIC No.:  
 Passport No. (in case of foreign shareholder):  
 Cell Number & Land Line Number:  
 Email Address (Mandatory):

#### Shareholder's Bank Detail

Title of Bank Account (Mandatory):  
 International Bank Account Number (IBAN) Mandatory (24 Digits)" P K \_\_\_\_\_  
 Bank's Name Branch Name and Address: \_\_\_\_\_

I hereby confirm that the above mentioned information is correct and in case of any change therein, I shall immediately communicate Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited / Share Registrar accordingly.

\_\_\_\_\_  
 (Signature of shareholder)



## NOTICE OF ANNUAL GENERAL MEETING

- b) It may be noted that the Company shall withhold the payment of dividend of a member where the member has not provided the complete information or documents as specified. The shareholders shall submit the Dividend Mandate Form, properly filled-in, to the relevant Broker/Participants/Investor Account Services of the Central Depository Company of Pakistan Limited where Member's CDC account is being maintained.
- c) The Shareholders who could not collect their previous dividend are advised to contact the Company to collect their unclaimed dividend, if any. In compliance with Section 244 of Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government.
- d) The Shareholders should also notify our Share Registrar, Central Depository Company of Pakistan Limited, regarding any change in their addresses and ensure to submit copies of their up-to-date CNICs

### **9. STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING SPECIAL BUSINESS:**

- a) The Company was incorporated under the Companies Ordinance 1984 (now governed by Companies Act, 2017). As per clause II of the Memorandum of Association of the Company, the registered address of the Company is situated in Islamabad Capital Territory.
- b) The Company is in the process of launching its first REIT Scheme i.e., ISE Towers REIT Scheme. Accordingly, the Trust has been registered with Directorate of Industries and Commerce, Sindh. Moreover, the Securities and Exchange Commission of Pakistan has also granted its consent as deemed registration of the ISE Towers REIT Scheme. The SECP has set time deadlines for transfer of real estate in the name of Trust and for listing of REIT Scheme. In this respect, ISE RMC will adopt the process of a Scheme of Arrangement/Reconstruction/Amalgamation (the "Scheme") in the High Court of relevant jurisdiction for the simultaneous and timely completion of above objectives.
- c) The scheme of arrangement involves transfer of property to the Trust and swapping shares of the Company with units of the ISE Towers REIT Scheme. Both ISE RMC and ISE Towers REIT Scheme have registered office addresses located at different provinces i.e., Islamabad and Karachi. Being different jurisdictions, scheme will have to be filed in the relevant courts at Islamabad and Karachi. In order to overcome this complication, registered office address of the ISE RMC is proposed to be shifted from Islamabad Capital Territory to Karachi in the province of Sindh.
- d) In terms of section 21 and 32 of the Companies Act, 2017, read with the Companies (General Provisions and Forms) Regulations, 2018, the shifting of the registered office from Islamabad Capital Territory to any other province and consequential alteration in the Memorandum of Association of the Company requires approval of the members by way of Special Resolution. The Board, therefore, recommends the resolution to the members for their consideration and approval thereof.





**Zahid Latif Khan**

*Chairman*

# CHAIRMAN'S REVIEW

## Dear Members

I am honored to welcome the members to the 34th Annual General Meeting of ISE Towers REIT Management Company Limited.

The Financial year 2023 was a successive year of steady growth in terms of revenue and profitability of the Company. This clearly reflects the merits of the strategy adopted by the Board of Directors.

I am immensely pleased to inform that, keeping in view the enhanced profitability of the Company, your Board has recommended highest ever cash dividend of Re.0.93 per share this year which is 43% higher than the previous year. The financial position of the Company also stood on strong footing with debt free to ample liquidity.

The year under consideration is an extraordinary year for the Company as the Company has registered its first ever rental REIT Scheme "ISE Towers REIT Scheme". This is also the first REIT Scheme in the Centre region. The Trust has been registered with Directorate of Industries and Commerce, Sindh on May 18, 2023. Moreover, the Securities and Exchange Commission of Pakistan has also granted its consent as deemed registration of the ISE Towers REIT Scheme. The Company will accordingly initiate the process for transfer of property to Trust and subsequent listing thereof. Besides the ISE Towers REIT Scheme, the Company is committed to launch other REIT Schemes in order to promote the business of the Company. Accordingly, the Company has been working on different avenues for the purpose of launching of Developmental REIT Schemes.

The Board has given special attention for the upkeep, safety and security of the ISE Towers and all possible efforts have been made to provide maximum comfort and safe working to the occupants and visitors. The Company has also been continuously adding the new safety installations at ISE Towers for the safety of valuable business partners.

The Company has been complying with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board has constituted four statutory committees i.e., Audit Committee, Human Resource and Remuneration Committee, Risk Management Committee and Nomination Committee which are performing their functions diligently. The Chief Executive Officer of the Company has been delivering his duties with best of his abilities.

The Board of Directors has been providing guidance in all significant policy matters. Members of the Board are well versed with their role and responsibilities. I am extremely thankful to my fellow board members for their valuable contribution in the Board matters.

On behalf of the Board, I would like to express my gratitude to Government of Pakistan, particularly the Ministry of Finance, Securities and Exchange Commission of Pakistan and Federal Board of Revenue for their continued support. I am also grateful to the shareholders and our valued customers for their continued support. I would also like to thank the management and employees of the Company for their dedicated services.



Zahid Latif Khan  
Chairman





# DIRECTORS' REPORT

# GROV



W T H



A professional portrait of Sagheer Mushtaq, a man with a full grey beard and dark hair, wearing a grey suit jacket, a white shirt, and a red and black checkered tie. The background is a light yellow-green color with abstract blue and yellow wavy patterns on the left side.

**Sagheer Mushtaq**

*Chief Executive Officer*



# DIRECTORS' REPORT

## FINANCIAL PERFORMANCE

The Company achieved 26% growth in its revenues over the comparative period despite external challenges of economic uncertainty, high inflation etc. The net profit also improved by 35%, as a result of revenue growth, pricing management and tighter control on costs.

The financial footing of the Company also remained strong and steady. The equity of the Company increased by 1,161 million over the comparative year.

\* Figures are taken based on standalone financial statements of the Company as financial statements for current period are standalone.

\*\* Profit after tax is exclusive of fair value gain on investment property.

\*\*\* Earning per share is on account of distributable profits of the Company.

	2023 Rupees in 'Million'	2022* Rupees in 'Million'	Change Rupees in 'Million'
Operating income	354.69	312.06	42.63
Other income	186.79	118.64	68.15
Admin expenses	90.56	84.50	6.06
PAT**	392.24	289.54	102.70
EPS***	1.07	0.79	0.28
Book value	20.52	17.46	3.06

## Dividend

Maintaining its commitment to the shareholders, the Board of Directors are pleased to recommend a final cash dividend of Re. 0.93 per share (9.3%) for the year ended June 30, 2023 thereby appropriating an amount of Rs. 341.48 million out of un-appropriated profits.

## Financial Highlights

Financial highlights of the Company for last six years are provided at page 38 of Annual Report.

## ECONOMY

The financial year 2023 was the challenging year for the Pakistan's economy as it remained under severe pressure. The economy attained a GDP growth of only 0.29%. The significant decline was due to various internal and external challenges including devastating floods, political uncertainty coupled with legacy issues like fiscal mismanagement, energy crises, weak tax system, security concerns, trade imbalances etc. Economic growth is expected to slow and remain below potential in the medium-term.

## REAL ESTATE / REIT SECTOR

The real estate market in Pakistan has been steadily growing over the last few years. Even though the country faced a severe economic challenge, the real estate market continued to attract investment from both local and international buyers. As per report of the World Bank, after agriculture sector, the real estate sector in

Pakistan is the second largest employer in the country.

Pakistan's REIT sector has shown phenomenal growth during the past three years with prioritization of the sector by the Government, the capital market, and banking regulators. SECP's supportive regulatory reforms along with balanced taxation regime reduced the entry barriers and fueled unprecedented investment in REIT Sector. During the fiscal year under review, a total of nine (9) new RMCs have been registered. Presently, twenty-two (22) RMCs (2022: 13) are registered with SECP and fifteen (15) REIT Schemes (2022: 5) are registered having cumulative value of Rs. 276.64 billion.

Going forward, REIT sector will face headwinds due to withdrawal of Capital Gain Tax exemption and increase in withholding tax to 3% coupled with higher construction cost. However, robust governance arrangements, and enhanced transparency and investor protection mechanism can be expected to position Pakistan's REIT sector as a viable emerging investment destination for both local and foreign investors.

## COMPANY OPERATIONS

### REIT Schemes

The year under consideration is a remarkable year for the Company as the Company has registered its first ever rental REIT Scheme "ISE Towers REIT Scheme". This is also the first REIT Scheme in the Centre region.



## DIRECTORS' REPORT

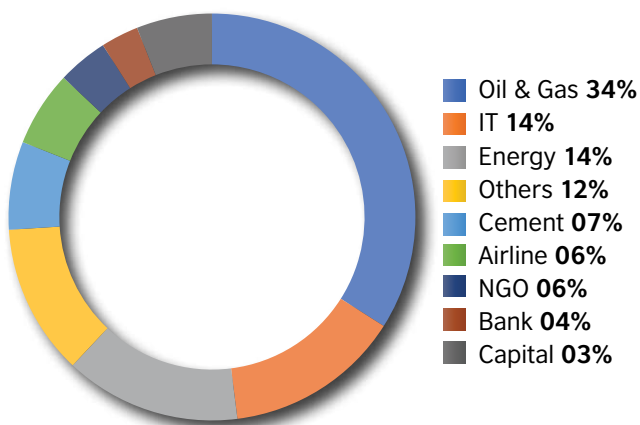
The Trust has been registered with Directorate of Industries and Commerce, Sindh on May 18, 2023. Moreover, the Securities and Exchange Commission of Pakistan has also granted its consent as deemed registration of the ISE Towers REIT Scheme. The SECP has set a timeline of December 31, 2023 for transfer of real estate in the name of Trust and June 30, 2025 for listing of REIT Scheme. The Company will accordingly initiate the process for transfer of property to Trust and subsequent listing thereof.

Besides the ISE Towers REIT Scheme, the Company is committed to launch other REIT Schemes in order to promote the business of the Company. Accordingly, the Company has been working on different avenues for the purpose of launching of Developmental REIT Schemes.

The Company with the objective to make value addition to the building, is also putting all its efforts in obtaining the completion certificate of ISE Towers from Capital Development Authority which is at its final stage.

### Robust Tenancy Profile

ISE Towers is housed with high-profile tenancies including MOL Pakistan Oil & Gas Co B.V., United Energy Pakistan Limited, Hascol Petroleum Limited, Inbox Technologies (Private) Limited, Lucky Cement, Sky Electric (Private Limited), a company of Saif Group, Airblue Limited, Air China Limited, SAP Middle East, Leonardo an Italian Company, Pakistan Mercantile Exchange, Anatolia Travel Services (Private) Limited, IDP Education Pakistan (Private) Limited, National Bank of Pakistan etc. Current occupancy rate of the building is 100%.



### Enhanced Safety, Security and Value-Added Services

The Company always prioritized the safety of its business partners at top. Accordingly, this year the contracts for installation of smoke venting systems and fire sprinklers systems have been awarded and work will be completed within a year time period. Besides, the building is already equipped with the fire safety infrastructure including fire alarm systems, hose reels, auto fire suppression systems, fire extinguishers etc. The Company also focused on providing a safe and healthy work environment to its business partner and perform environmental tests on regular basis. The security of the building is also being managed through physical and virtual checks.

ISE Towers is considered as one of the best maintained building in the Capital City due to its well managed building operations, services and maintenance. The Company has the honor to have following certifications:

- ISO 9001-2015 for quality management services of ISE Towers;
- Smoke free building declared by Ministry of National Health Services, Regulations and Coordination (NHSRC);
- Compliant with environmental laws, certified by Pakistan Environmental Protection Agency;
- Compliant with electrical protocols, certified by Wapda accredited agent;
- Building integrity and rentability, certified by Nespak.

### GOVERNANCE

The Company proactively undertakes to comply with the Listed Companies (Corporate Governance) Regulations, 2019 ("CCG"). The Company's statement of compliance with CCG has been reviewed by the external auditors. The Companies compliance statement along with auditors' report is part of this annual report.

### Board of Directors

The Company has an effective Board having an appropriate mix of competencies, diversity of experience and knowledge. The Board of Directors of the Company comprises eleven (11) members including six (6) Non-Executive Directors (NEDs) having representation of shareholders and four (4) Independent Directors (IDs). The Chief Executive

## DIRECTORS' REPORT

Officer (CEO) is an ex-officio member of the Board. Current composition of the Board is as under:

### Representing Shareholders (NED):

1. Mr. Zahid Latif Khan
2. Mr. Adil Khan Swati
3. Mr. Farrukh Younas Khan
4. Mr. Farooq Zafar
5. Sardar Aman Khan
6. Mr. Sohail Altaf

### Independent Director

7. Ms. Farzin Khan
8. Malik Qamar Afzal
9. Mr. Aamer Riaz
10. Mr. Shauzab Ali

### Chief Executive Officer – Executive Director

11. Mr. Sagheer Mushtaq

Mr. Zahid Latif Khan, NED, is the Chairman of the Board.

During the year, five (5) meetings of the Board were held, attendance of the directors is attached.

### Committees of the Board

In compliance with CCG, the Board has constituted four statutory committees:

- i. Audit Committee
- ii. Human Resource and Remuneration (HRR) Committee
- iii. Nomination Committee
- iv. Risk Management Committee

The composition of the Committees is in accordance with the requirements of CCG. Current composition of the Committees is given below:

Name of Directors	Audit	HRR	Nomination	Risk Management
Mr. Zahid Latif Khan		✓	✓	✓
Mr. Adil Khan Swati	✓		✓	
Mr. Farooq Zafar	✓			✓
Mr. Farrukh Younas Khan	✓	✓	✓	
Ms. Farzin Khan		✓		
Malik Qamar Afzal				✓
Sardar Aman Khan		✓		✓
Mr. Shauzab Ali	✓			✓
Mr. Sohail Altaf		✓	✓	

Attendance of the Committees meetings is attached.

### Directors' Training

The Company in order to ensure good corporate governance has envisaged the need for effective training of its directors. Accordingly, during the year the Company arranged training programs for two (2) Board members, in order to keep them abreast with regulatory and governance updates through an institution duly accredited by SECP. Out of the current composition of the Board, six (6) Directors of the Company are certified Directors as per the requirements of CCG. The rest of the directors shall be imparted this training in due course.

### Annual Evaluation of the performance of the Board, Board's Committees and Individual Directors

In compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, a formal and effective mechanism is in place for periodic evaluation of the Board's own performance, members of the Board and the Board's Committees. The approved mechanism for evaluation of the performance contains multiple factors covering areas such as composition of the Board and its Committees, functions and performance of the Board and its Committees, governance structure and practices, general atmosphere and contribution etc.

### Directors' Remuneration

All the Non-Executive Directors/Independent Directors are entitled to a fixed fee for attending Board meetings as approved by the Board. The CEO is the only executive director on the Board. He is entitled to salary and other benefits as per

Company's policy and as approved by the Board. No fee is paid to CEO for attending the board meetings.



## DIRECTORS' REPORT

### Directors' Compliance Statement

The Board confirms that:

- Proper books of accounts have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- There is no significant doubt on the Company's ability to continue as going concern.
- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the International Financial Reporting Standards, as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There is no material departure from the best practices of corporate governance.
- Key operating and financial data of last 6 years has been included in this report.

### CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes that quality education will lead to the development of human capital and to the well-being of society and nation at large. The Company therefore is currently focusing on providing quality education to shining and deserving students of the community in the vicinity of Islamabad and Rawalpindi. Contribution towards this segment during the year under review are highlighted below:

**Read Foundation:** READ Foundation is a non-profit and non-governmental organization working for the provision of quality education in Pakistan. Their nationwide institutes are playing a vital role to educate the children living in the urban and particularly in the far-flung rural areas of Pakistan. The Company has extended its scholarship program to the select students of Read Foundation and currently sixteen students have been availing ISE RMC Scholarships.

**Company employees:** The Company considers its human resource as the primary asset of the Company. Hence, the Company has also been providing its scholarship to the shining students of its employees. Currently, six number of students

are enrolled under the Company's scholarship.

The Company has been allocating Rs. 1.0 million towards CSR activities on annual basis.

### CORPORATE STRATEGY AND FUTURE OUTLOOK

The Company's objective is to attain a sustainable position and growth in the REIT sector. With this objective, the Company's strategy is centered around (i) new acquisitions that prioritize quality buildings in favorable locations by utilizing business expertise. Moreover, the Company is also focused to improve operational efficiencies, sustainable social and governance commitments and team building.

The Company besides launch of its first REIT which has already been registered, will pursue the real estate market players to launch Developmental REIT Schemes in the metropolitan cities and in this respect the management has already been exploring real estate projects.

### INTERNAL AUDIT

The Internal Audit function of the Company is effectively operating within the framework prescribed in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the charter approved by the Audit Committee. The Board values the inputs and recommendations of the Audit Committee on the adequacy and effectiveness of internal controls in the Company and ensures appropriate timely actions.

### ETHICS AND COMPLIANCE

'Code of Conduct' has been disseminated to all Directors and employees of the Company in compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.

### LEGAL MATTERS

At present only one legal case titled MRA Altec Construction (Pvt) Limited vs. ISE Towers REIT Management Company is pending for adjudication which is being pursued by the Company vigorously.

### APPOINTMENT OF AUDITORS

BDO Ebrahim & Co. Chartered Accountants, auditors of the Company for the FY 2022-23 stands retire and being eligible, have offered

## DIRECTORS' REPORT

themselves for reappointment for the term 2023-2024. The Audit Committee and the Board recommends the reappointment of BDO Ebrahim & Co. Chartered Accountants as statutory auditors of the Company for the year 2023-2024 at the same remuneration, to be approved by general body at Annual General Meeting, which will also cover the charges for review of half yearly accounts and review of Compliance Statement under Corporate Governance practices in terms of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The external auditors have been given satisfactory rating under the Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP). They have confirmed that their firm is in compliance with provisions of Listed Companies (Corporate Governance) Regulations 2019 and International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

The external auditors have not been appointed to provide any other service which may impair their independence and they have confirmed having observed IFAC guidelines in this respect.

### PATTERN OF SHAREHOLDING

The Pattern of Shareholding as at June 30, 2023 along with the necessary information is annexed to this report.

### ACKNOWLEDGEMENT

The Board of Directors of the Company is pleased to place on record its gratitude and acknowledgement for the valuable guidance and cooperation of SECP and other concerned Government agencies. The Board would like to thank the cooperation of shareholders and assistance of the Board Committees for their support and valuable contributions. Their support helped the Board to a great extent to perform its duties more effectively. The Board also appreciates the dedication of the Management and the continued hard work by the employees.

For and on behalf of the Board



**Zahid Latif Khan**  
Chairman of the Board



**Sagheer Mushtaq**  
Chief Executive Officer

Islamabad, September 28, 2023

### Attendance at meetings

During the year five (5) meetings of the Board of Directors, four (4) meetings of the Audit Committee and one meeting of the HRR Committee of the Board were held. Directors' respective attendance in the meetings was as follows:

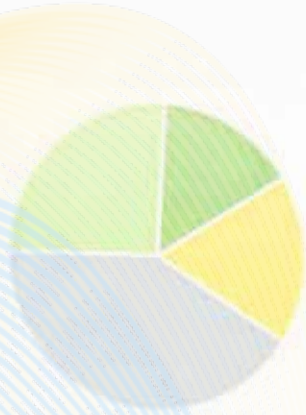
Name of Directors	Board Meeting	Audit Committee Meeting	HRR Committee Meeting
Mr. Zahid Latif Khan	5/5	-	1/1
Mr. Sagheer Mushtaq	5/5	-	1/1
Mr. Aamer Riaz	5/5	-	-
Mr. Adil Khan Swati	5/5	4/4	-
Mr. Farooq Zafar	5/5	4/4	-
Mr. Farrukh Younas Khan	5/5	4/4	1/1
Ms. Farzin Khan	5/5	-	1/1
Malik Qamar Afzal	5/5	-	-
Sardar Aman Khan	2/5	-	1/1
Mr. Shauzab Ali	5/5	4/4	-
Mr. Sohail Altaf	5/5	-	0/1

No meeting of Risk Management and Nomination Committees have been held.





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# FINANCIAL HIGHLIGHTS





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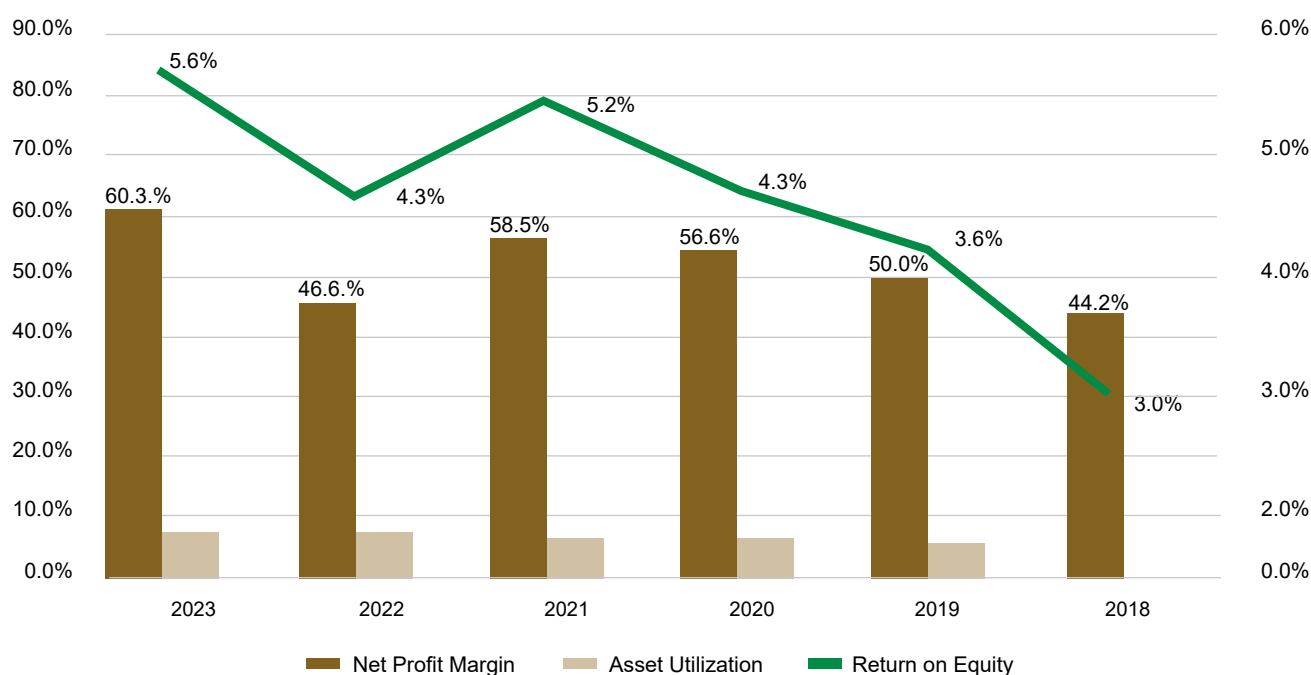




## RATIO ANALYSIS

	Unit	2023	2022	2021	2020	2019	2018
<b>Investment ratios:</b>							
Earnings per share (After tax)	Rupees	3.63	1.04	1.40	0.92	0.52	0.40
Earnings per share (Before tax)	Rupees	3.98	1.35	1.58	1.10	0.68	0.55
Book value per share	Rupees	20.52	17.46	17.03	15.45	14.49	14.09
Dividend per share	Rupees	-	0.65	0.60	0.33	0.24	0.15
<b>Profitability Ratios:</b>							
Operating Profit Margin	%	127.1%	93.2%	97.7%	99.9%	86.8%	79.7%
Net Profit Margin*	%	60.3%	46.6%	58.8%	56.6%	50.0%	44.2%
Return on Average Equity (ROE)	%	5.6%	4.3%	5.2%	4.3%	3.6%	3.0%
Return on Average Assets (ROA)	%	5.4%	4.2%	5.1%	4.1%	3.5%	2.9%
Return on Capital Employed (ROCE)	%	5.5%	4.5%	5.3%	4.4%	3.7%	2.8%
Cost to Income ratio	%	16.7%	30.3%	24.8%	24.8%	32.1%	35.8%
<b>Asset Quality and Liquidity ratios</b>							
Investment to Total Assets	%	6.3%	6.7%	6.4%	5.9%	5.4%	4.9%
Cash to Current Liabilities	Times	0.34	0.71	0.36	0.37	0.22	0.20
Current Ratio	Times	4.05	3.89	4.32	3.16	2.55	2.24
Debt to Equity	Times	0.04	0.04	0.04	0.04	0.04	0.03
Total Assets to Equity	Times	1.04	1.04	1.04	1.04	1.04	1.03

## DUPONT ANALYSIS

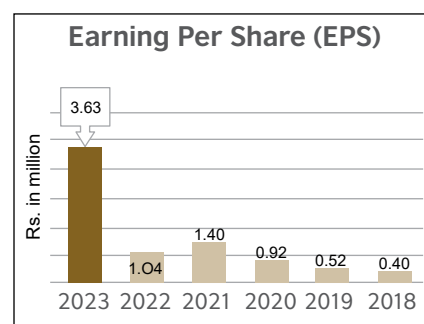
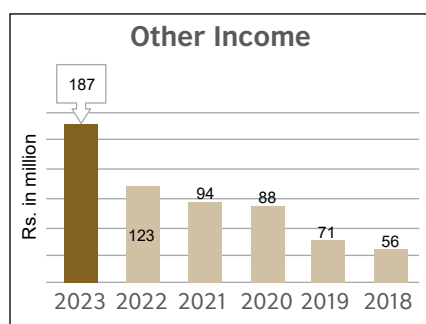
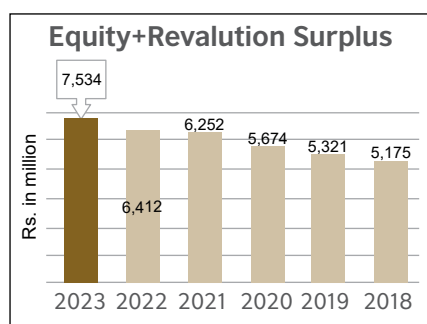
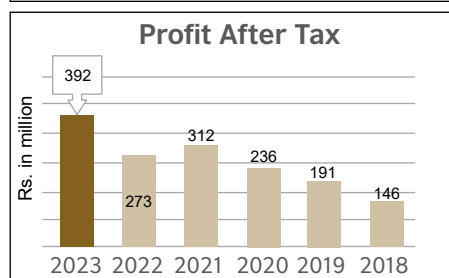
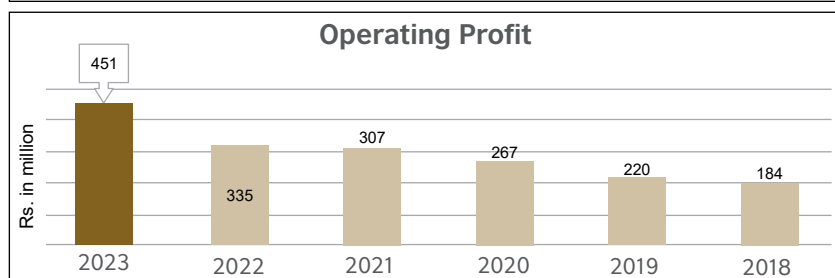
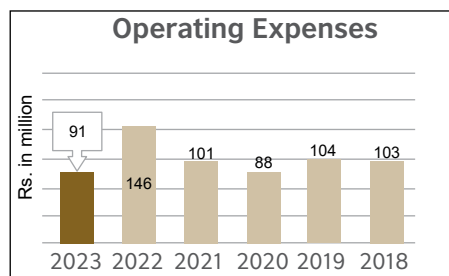
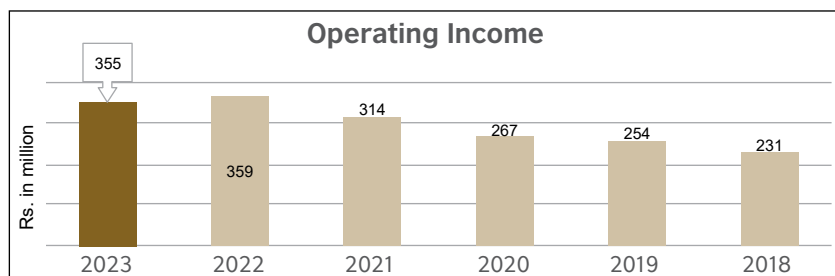
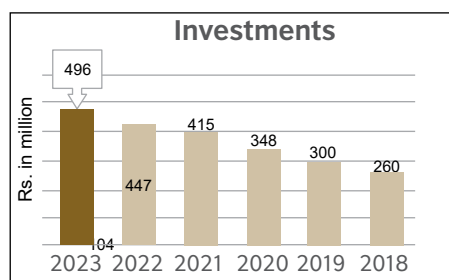
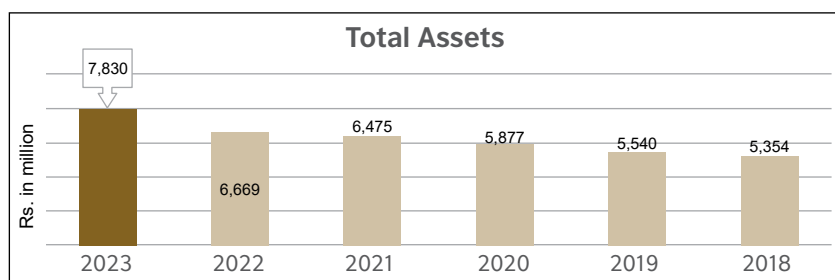


\*Net profit is exclusive of fair value gain on investment property and share of profit from associate



# TREND ANALYSIS (2018-2023)

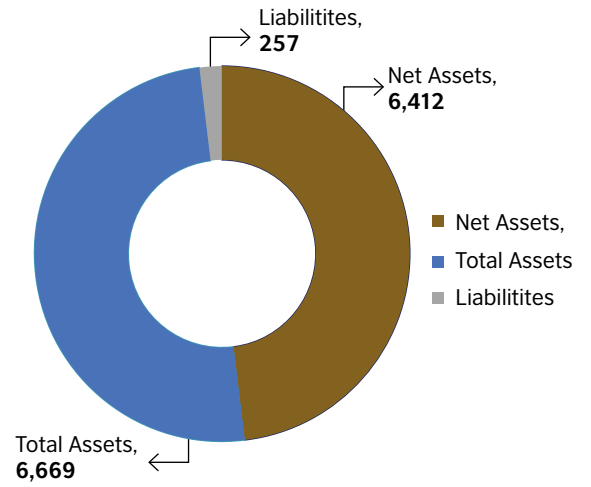
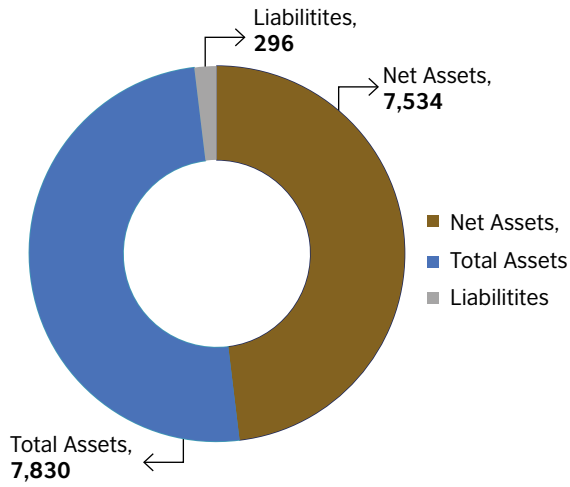
	2023	2022	2021	2020	2019	2018
Investments	496	447	415	348	300	260
Equity + Revaluation Surplus	7,534	6,412	6,252	5,674	5,321	5,175
Total Assets	7,830	6,669	6,475	5,877	5,540	5,354
Operating Income	355	359	314	267	254	231
Other Income	187	123	94	88	71	56
Operating profit	451	335	307	267	220	184
Profit After Tax	392	273	312	236	191	146
Operating Expenses	91	146	101	88	104	103
Earning Per Share (EPS)	3.63	1.04	1.40	0.92	0.52	0.40



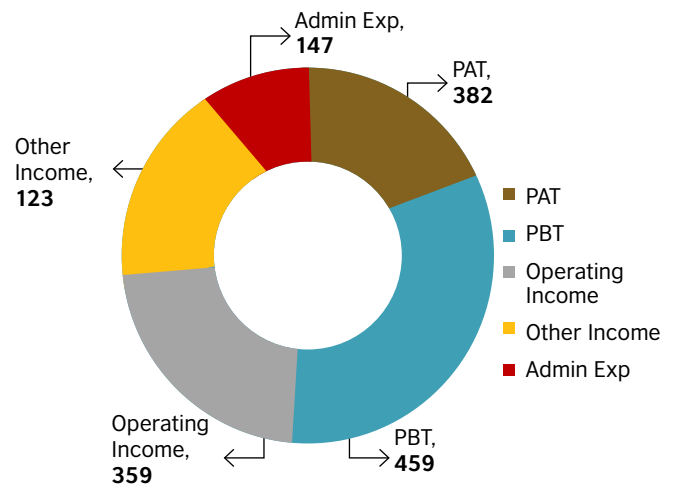
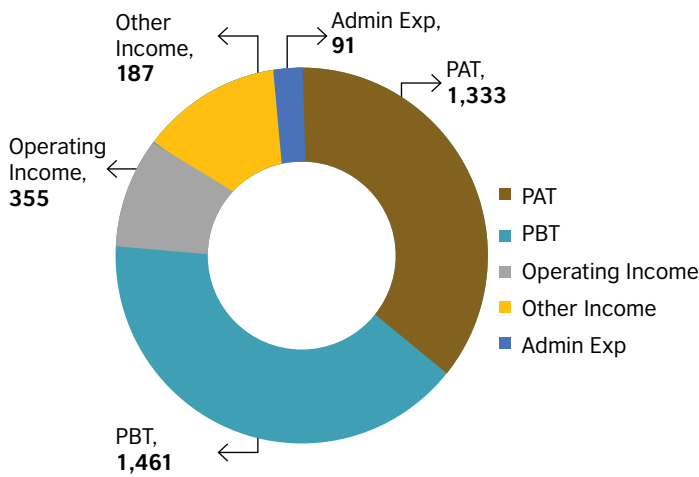
2023

2022

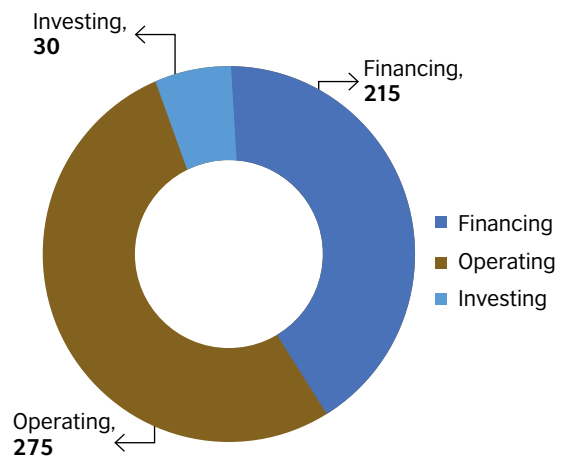
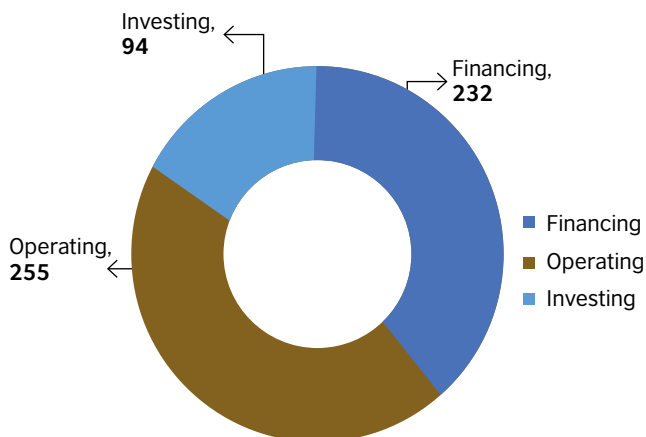
Financial Position  
in Million



Financial Performance  
in Million



Cash Flow  
in Million







# **STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**



# REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of ISE TOWERS REIT MANAGEMENT COMPANY LIMITED for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

ISLAMABAD

Dated: September 28, 2023  
UDIN No. CR202310060qLQ9c0ukC



**CHARTERED ACCOUNTANTS**  
Engagement Partner: Atif Riaz



# Statement of Compliance with Listed Companies

## (Code of Corporate Governance) Regulations, 2019

**Name of Company: ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**Year ending: June 30, 2023**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eleven (11) as per the following:

- a. Male: 10
- b. Female: 1

2. The composition of board is as follows:

**a) Independent Directors (ID)**

- i. Mr. Aamer Riaz
- ii. Ms. Farzin Khan (Female Director)
- iii. Malik Qamar Afzal
- iv. Mr. Shauzab Ali

**b) Non-executive Director (NED)**

- i. Mr. Zahid Latif Khan (Chairman of the Board)
- ii. Mr. Adil Khan Swati
- iii. Mr. Farooq Zafar
- iv. Mr. Farrukh Younas Khan
- v. Sardar Aman Khan
- vi. Mr. Sohail Altaf

**c) Executive Director**

- i. Mr. Sagheer Mushtaq (Chief Executive Officer)

**d) Female Director**

- i. Ms. Farzin Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman. The board has complied with the re-

quirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The directors namely Mr. Zahid Latif Khan, Mr. Adil Khan Swati, Mr. Farrukh Younas Khan, Mr. Farooq Zafar, Mr. Shauzab Ali and Ms. Farzin Khan already have certifications of Directors' Training Program from accredited institutions. The rest of the directors shall be imparted this training in due course.
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Executive Officer has duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

**a) Audit Committee**

- |    |                         |                                |
|----|-------------------------|--------------------------------|
| 1. | Mr. Shauzab Ali         | ID – Chairman of the Committee |
| 2. | Mr. Adil Khan Swati     |                                |
| 3. | Mr. Farooq Zafar        |                                |
| 4. | Mr. Farrukh Younas Khan |                                |
| 5. | Mr. Zeeshan Shafique    | Secretary of the Committee     |

**b) Human Resource Committee**

- |    |                         |                                |
|----|-------------------------|--------------------------------|
| 1. | Ms. Farzin Khan         | ID – Chairman of the Committee |
| 2. | Mr. Farrukh Younas Khan |                                |
| 3. | Sardar Aman Khan        |                                |
| 4. | Mr. Sohail Altaf        |                                |
| 5. | Mr. Zahid Latif Khan    |                                |
| 6. | Mr. Sagheer Mushtaq     |                                |
| 7. | Mr. Zeeshan Shafique    | Secretary of the Committee     |

**c) Nomination Committee**

- |    |                         |                                 |
|----|-------------------------|---------------------------------|
| 1. | Mr. Zahid Latif Khan    | NED – Chairman of the Committee |
| 2. | Mr. Adil Khan Swati     |                                 |
| 3. | Mr. Farrukh Younas Khan |                                 |
| 4. | Mr. Sohail Altaf        |                                 |
| 5. | Mr. Sagheer Mushtaq     |                                 |
| 6. | Mr. Zeeshan Shafique    | Secretary of the Committee      |

**d) Risk Management Committee**

- |    |                      |                                |
|----|----------------------|--------------------------------|
| 1. | Malik Qamar Afzal    | ID – Chairman of the Committee |
| 2. | Mr. Farooq Zafar     |                                |
| 3. | Sardar Aman Khan     |                                |
| 4. | Mr. Shauzab Ali      |                                |
| 5. | Mr. Zahid Latif Khan |                                |
| 6. | Mr. Sagheer Mushtaq  |                                |
| 7. | Mr. Zeeshan Shafique | Secretary of the Committee     |

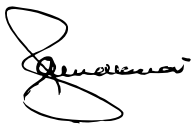
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committees were as per following:

- a). Audit Committee: Four (4) meetings of the Committee were held during FY 2023.
- b). Human Resource and Remuneration (HRR) Committee: One (1) meeting of the Committee was held during FY 2023.



- c). Nomination Committee: No meeting was held during FY 2023.
- d). Risk Management Committee: No meeting was held during FY 2023.
- 15. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company. However, currently the post of Head of Internal Audit is vacant and appointment in this respect will be made in due course.
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with.



**Zahid Latif Khan**  
Chairman



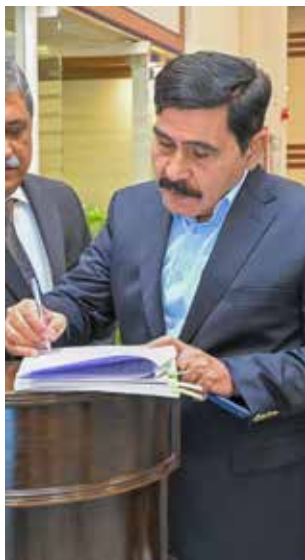
**Sagheer Mushtaq**  
Chief Executive Officer



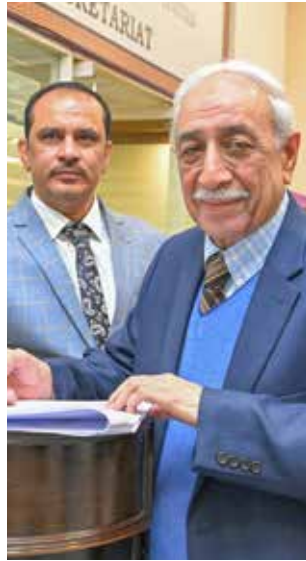
# ANNUAL GENERAL MEETING





















# BOARD OF DIRECTORS' MEETINGS

















# AUDIT COMMITTEE





# HRR COMMITTEE





# FIRE AND SAFETY PROJECT SUPERVISION COMMITTEE



## EVENTS GLIMPSES



Mr. Zahid Latif Khan, receiving “Best Performing CEO” award from Mr. Ihsan Iqbal, Minister for Planning & Development.



Mr. Zahid Latif Khan and Directors of PSX, CDC and NCCPL alongwith Mr. Ulanbek Totuiaev, Ambassador of Kyrgyzstan for coordination between Stock Exchanges and Depository Companies of respective countries.



























# INDEPENDENCE DAY











# FINANCIAL STATEMENTS

# GRV





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V  
T  
H



# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of ISE Towers REIT Management Company Limited (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We

are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan / Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation

and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year

were for the purpose of the Company's business; and

- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

### Other Matter

The financial statements of **ISE Towers REIT Management Company Limited** for the year ended June 30, 2022 were audited by another firm of Chartered Accountants, who had expressed an unqualified opinion vide their report dated October 24, 2022.

The engagement partner on the audit resulting in this independent auditors report is Atif Riaz.



**CHARTERED ACCOUNTANTS**

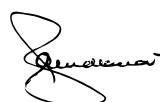
**ISLAMABAD**

DATED: September 28, 2023  
UDIN No. AR2023100602Jdlfeaq7

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	1,195,577	1,160,044
Intangible assets	7	1,962	2,262
Investment property	8	5,096,305	4,155,638
Long term investments	9	496,060	446,523
Long term deposits	10	14,906	14,883
Deferred taxation	11	25,352	49,829
		<u>6,830,162</u>	<u>5,829,179</u>
<b>CURRENT ASSETS</b>			
Receivables	12	68,041	40,060
Advances and prepayments	13	7,139	7,523
Tax refund due from government	14	-	1,593
Short term investments	15	841,747	636,321
Cash and bank balances	16	83,008	154,359
		<u>999,935</u>	<u>839,856</u>
<b>TOTAL ASSETS</b>		<u><u>7,830,097</u></u>	<u><u>6,669,035</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
700,000,000 ( 2022: 700,000,000) ordinary shares of Rs. 10 each		7,000,000	7,000,000
		<u>7,000,000</u>	<u>7,000,000</u>
Issued, subscribed and paid up capital	17	3,671,870	3,671,870
Surplus on revaluation of property and equipment	18	430,096	416,066
Other reserves	19	3,432,025	2,323,664
		<u>7,533,991</u>	<u>6,411,600</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits	20	23,203	21,908
Deferred liabilities	21	25,783	19,439
		<u>48,986</u>	<u>41,347</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	22	62,452	53,387
Advances and deposits	23	148,962	142,591
Tax payable to government	24	10,403	-
Unclaimed dividend	25	25,303	20,110
		<u>247,120</u>	<u>216,088</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,830,097</u></u>	<u><u>6,669,035</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	26		

The annexed notes from 1 to 45 form an integral part of these financial statements.



**CHAIRMAN**



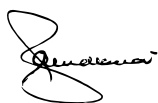
**CHIEF EXECUTIVE**



**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 ----- (Rupees in '000) -----	Consolidated 2022
<b>Income</b>			
Operating income	27	354,696	359,057
<b>Operating expenses:</b>			
Depreciation and amortization	28	(44,429)	(53,303)
Other administrative expenses	29	(46,135)	(92,710)
		(90,564)	(146,013)
Other income	30	186,795	122,781
Financial charges	31	(148)	(1,323)
Operating profit		450,779	334,502
Fair value gain on investment property	8	940,667	108,666
Fair value gain on investments classified at fair value through profit or loss		3,672	3,509
Share of profit from associated companies	9.1.1&9.1.2	65,579	48,662
Profit before taxation		1,460,697	495,339
Taxation	32	(127,790)	(113,600)
Profit for the year after taxation		<u>1,332,907</u>	<u>381,739</u>
<b>Attributable to:</b>			
Owners of the Parent		-	396,726
Non-controlling interests		-	(14,987)
		-	<u>381,739</u>
Distributable profit		1.07	0.73
Undistributable - unrealised fair value gains		2.56	0.30
Earning per share - basic and diluted	33	<u>3.63</u>	<u>1.04</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.



**CHAIRMAN**

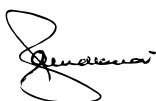


**CHIEF EXECUTIVE**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

		2023	Consolidated 2022
	Note	----- (Rupees in '000') -----	----- ----- -----
Profit for the year after taxation		1,332,907	381,739
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit or loss:</b>			
Revaluation surplus on property and equipment	6.1	28,301	70,654
Related deferred tax impact	11.3	(5,708)	(15,648)
		22,593	55,006
Share of other comprehensive loss of associates - net	9.1.7	(1,181)	(29)
Loss on remeasurement of defined benefit liability	21.3.5	(1,126)	(360)
		(2,307)	(389)
		20,286	54,617
<b>Items that may be reclassified subsequently to statement of profit or loss:</b>			
Surplus on remeasurement of equity investment - FVOCI	9.2.3.1	7,871	19,935
Other comprehensive income for the year - net of tax		28,157	74,552
Total comprehensive income for the year		1,361,064	456,291

The annexed notes from 1 to 45 form an integral part of these financial statements.



**CHAIRMAN**



**CHIEF EXECUTIVE**



	Capital reserve		Revenue reserves				Non-controlling interest	Total		
	Issued, subscribed and paid up capital	Revaluation surplus on property and equipment	Fixed assets replacement reserve	Total capital reserves	Surplus on remeasurement of investments - FVTOCI	Unrealized surplus on remeasurement of associate's investments			Accumulated profit	Total revenue reserves
Balance as at June 30, 2021	3,671,870	369,294	66,997	436,291	92,389	426	1,958,013	2,050,828	92,990	6,251,979
<b>Total comprehensive income for the year 2022</b>	-	-	-	-	-	-	396,726	396,726	-	396,726
Profit for the year after taxation	-	-	-	-	-	-	1,645	1,645	(92,990)	(91,345)
Derecognition of subsidiary on loss of control	-	-	-	-	-	-	(360)	(360)	-	(360)
Gain on remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	-
Revaluation of property and equipment during the year	-	55,006	-	55,006	-	-	-	-	-	55,006
Transfer to accumulated profit on account of incremental depreciation (net of tax)	-	(8,234)	-	(8,234)	-	-	8,234	8,234	-	-
Share of other comprehensive loss of associates	-	-	-	-	-	-	(29)	(29)	-	(29)
Surplus on remeasurement of equity investment - FVTOCI	-	-	-	-	19,935	-	-	19,935	-	19,935
<b>Fixed assets replacement reserve</b>	-	-	-	-	-	-	-	-	-	-
Amount collected for fixed assets replacement reserve	-	-	53,617	53,617	-	-	(53,617)	(53,617)	-	-
Amount utilized from fixed assets replacement reserve	-	-	(8,838)	(8,838)	-	-	8,838	8,838	-	-
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2021 at Re. 0.60 per share	-	-	-	-	-	-	(220,312)	(220,312)	-	(220,312)
<b>Balance as at June 30, 2022</b>	3,671,870	416,066	111,776	527,842	112,324	426	2,099,138	2,211,888	-	6,411,600
<b>Total comprehensive income for the year 2023</b>	-	-	-	-	-	-	1,332,907	1,332,907	-	1,332,907
Profit for the year after taxation	-	-	-	-	-	-	(1,126)	(1,126)	-	(1,126)
Loss on remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	-
Revaluation of property and equipment during the year (net of tax)	-	22,593	-	22,593	-	-	-	-	-	22,593
Transfer to accumulated profit on account of incremental depreciation (net of tax)	-	(8,563)	-	(8,563)	-	-	8,563	8,563	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	(1,181)	(1,181)	-	(1,181)
Surplus on remeasurement of equity investment - FVTOCI	-	-	-	-	7,871	-	-	7,871	-	7,871
<b>Fixed assets replacement reserve</b>	-	-	-	-	-	-	-	-	-	-
Amount collected for fixed assets replacement reserve	-	-	50,954	50,954	-	-	(50,954)	(50,954)	-	-
Amount utilized from fixed assets replacement reserve	-	-	(12,103)	(12,103)	-	-	12,103	12,103	-	-
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2022 at Re. 0.65 per share	-	-	-	-	-	-	(238,673)	(238,673)	-	(238,673)
<b>Balance as at June 30, 2023</b>	3,671,870	430,096	150,627	580,723	120,195	426	3,160,777	3,281,398	-	7,533,991

Note

Balance as at June 30, 2021

**Total comprehensive income for the year 2022**

Profit for the year after taxation

Derecognition of subsidiary on loss of control

Gain on remeasurement of defined benefit liability

Revaluation of property and equipment during the year

Transfer to accumulated profit on account of incremental depreciation (net of tax) 18

Share of other comprehensive loss of associates

Surplus on remeasurement of equity investment - FVTOCI 9.2.3.1

**Fixed assets replacement reserve**

Amount collected for fixed assets replacement reserve 19

Amount utilized from fixed assets replacement reserve 19.1

**Transactions with owners**

Final dividend for the year ended June 30, 2021 at Re. 0.60 per share

**Balance as at June 30, 2022**

**Total comprehensive income for the year 2023**

Profit for the year after taxation

Loss on remeasurement of defined benefit liability

Revaluation of property and equipment during the year (net of tax)

Transfer to accumulated profit on account of incremental depreciation (net of tax) 18

Share of other comprehensive income of associates

Surplus on remeasurement of equity investment - FVTOCI 9.2.3.1

**Fixed assets replacement reserve**

Amount collected for fixed assets replacement reserve 19.1

Amount utilized from fixed assets replacement reserve 19.1

**Transactions with owners**

Final dividend for the year ended June 30, 2022 at Re. 0.65 per share

**Balance as at June 30, 2023**

The annexed notes from 1 to 45 form an integral part of these financial statements.



CHAIRMAN

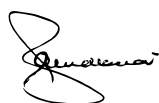


CHIEF EXECUTIVE

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- (Rupees in '000') -----	-----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,460,697	495,339
Adjustment for non-cash charges and other items	34 <u>(1,096,955)</u>	<u>(175,816)</u>
	363,742	319,523
<b>Working capital changes (Increase) / decrease in current assets</b>		
Receivables	(27,981)	4,094
Advances, deposits, prepayments and other receivables including long term advances	361	(4,129)
	(27,620)	(35)
<b>Increase / (decrease) in current liabilities</b>		
Advances and deposits	6,371	38,144
Accrued and other payables	9,065	(8,881)
	15,436	29,263
Cash generated from operations	351,558	348,752
Payment for gratuity	21 -	(341)
Compensated absences paid	21 -	(85)
Taxation	24 (97,025)	(73,454)
Net cash generated from operating activities	254,533	274,872
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(51,413)	(15,020)
Investment made during the year -net	(205,426)	(69,089)
Interest received	102,807	52,086
Dividend received from mutual funds	25,108	-
Dividend received from associated companies	35,373	62,303
Net cash (used in)/ generated from investing activities	(93,551)	30,280
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term deposits	1,295	(646)
Dividend paid	(233,480)	(214,409)
Financial charges paid	(148)	(58)
Net cash used in financing activities	(232,333)	(215,113)
Net (decrease) / increase in cash and cash equivalents	(71,351)	90,039
Cash and cash equivalents at beginning of the year	154,359	64,320
Cash and cash equivalents at end of the year	16 <u>83,008</u>	<u>154,359</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.



**CHAIRMAN**



**CHIEF EXECUTIVE**



**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. CORPORATE AND GENERAL INFORMATION**

**1.1 STATUS AND NATURE OF OPERATION**

- 1.1.1 ISE Towers REIT Management Company Limited ("the Company") was incorporated initially as Islamabad Stock Exchange (Guarantee) limited (ISE) in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) for the purpose of carrying out business of stock exchange. On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatization, 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.
- 1.1.2 ISE entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE) with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Accordingly the ISE proposed a scheme of integration in its AGM on October 27, 2015 to shift the stock exchange related business, the core business of the ISE, to PSX and to change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP).
- 1.1.3 SECP has approved the scheme of integration under Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act) 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" which has been licensed as Non-Banking Finance Company.
- 1.1.4 On January 11, 2016, ISE changed its name and scope of business and got converted from ISE 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 and accordingly, the agreed assets / liabilities of stock exchange business were transferred to PSX with effect from January 11, 2016. The Company is licensed as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 by Securities and Exchange Commission of Pakistan to form and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2022.
- 1.1.5 The principal activities of the Company is to form, launch and manage Real Estate Investment Trust (REITs) under REIT Regulations, 2022.
- The geographical location and address of the Company's business unit is as under:
- The registered office of the Company is situated in 55-B, ISE Towers, Jinnah Avenue, Islamabad.

## 2 DISPOSAL OF SUBSIDIARY

In prior year, due to change in composition of board of directors of DCCL on May 13, 2022 (effective date), the Company lost its control over DCCL. Accordingly, the company has derecognized its investment in DCCL as subsidiary and reclassified it as associated company in accordance with the requirement of the reporting framework.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (the NBFC Rules 2003); and The Real Estate Investment Regulations 2022.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for some operating fixed assets which have been stated at revalued amount, investment property, investment in associates and equity investments at fair value and employee benefits at present value.

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

### 3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of thousand Rupees.

### 3.4 Key judgments and estimates

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed below.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by the management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

#### **3.4.1 Staff retirement benefits - gratuity and compensated absences**

Gratuity and compensated absences are provided to eligible employees of the Company. Calculations in this respect require assumptions to be made of future outcomes, the principle ones are being in respect of increase in remuneration, mortality rate and the discount rate used to discount future cash flows to present values. Calculations are sensitive to changes in these underlying assumptions.

#### **3.4.2 Property and equipment**

The estimates for revalued amounts, if any, of different classes of property and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and useful lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

#### **3.4.3 Investment property**

The estimates for revalued amounts, if any, of different classes of property and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and useful lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

#### **3.4.4 Intangible asset**

The estimate for intangible includes estimate with respect to residual value and useful life. Any change in these estimates in future years might affect the carrying amounts of the respective items of intangible assets with corresponding effect on the amortization charge and impairment loss.

#### **3.4.5 Provision for ECL**

Receivables are assessed on a regular basis and if there is any doubt about recoverability of these receivables, provision for doubtful debts is made as per Company policy.

### 3.4.6 Taxation

The Company estimates current tax provision and deferred tax by taking into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on the items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

### 3.4.7 Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists the recoverable amount of assets is estimated. Impairment is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to statement of profit or loss.

### 3.4.8 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from Accounting period beginning on or after</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Certain annual improvements have also been made to a number of IFRSs.	



#### 4.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from Accounting period beginning on or after</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Employee benefits

#### 5.1.1 Compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences. The liability is provided on the basis of actuarial valuation using Projected Unit Credit (PUC) Actuarial Method while movement in the liability is included in the statement of comprehensive income. The Company has a policy of carrying out actuarial valuations annually with the assistance of independent actuarial appraisers. The latest actuarial valuation was carried out on June 30, 2023.

The amount recognized in the statement of financial position represents the present value of Defined Benefits Obligation (DBO). Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

#### 5.1.2 Staff retirement benefits

##### Defined benefit plan - Gratuity

The Company operates an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying year of service as specified by the scheme. The liability is provided on the basis of actuarial valuation using Projected Unit Credit (PUC) Actuarial Method while movement in the liability is included in the statement of comprehensive income. The Company has a policy of carrying out actuarial valuations annually with the assistance of independent actuarial appraisers. The latest actuarial valuation was carried out on June 30, 2023.

Actuarial gains and losses are recognized as income or expense in the other comprehensive income. The Company recognises expense in accordance with IAS 19 "Employee Benefits". Past service cost is recognized immediately to the extent the benefits are already vested.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation adjusted for the actuarial gains and losses.

### 5.2 Payables and other liabilities

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized cost. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

### 5.3 Taxation

The tax expense comprises current and deferred tax. Tax is recognized in statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity respectively.



**a) Current taxation**

Provision for current taxation is higher of taxable income or accounting income at the current rates of taxation after taking into account tax credits and tax rebates, if any, of the Company. The charge for the current year tax also includes prior year adjustments arising due to assessments framed during the year.

**b) Deferred taxation**

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are recognized for all taxable temporary differences in full and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities.

**5.4 Property and equipment****Owned assets****5.4.1 Operating fixed assets**

Operating fixed assets are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequently, the leasehold land and building on leasehold land are stated at revalued amounts less accumulated amortization/depreciation and impairment losses, and all other assets as mentioned in note 6.1 to the financial statements are stated at cost less accumulated depreciation and impairment losses if any. Revalued amounts are fair market values or depreciated replacement cost (as the case may be) based on appraisals prepared by external professional valuer. Any surplus arising upon revaluation of assets is credited to the "Surplus on revaluation of property and equipment".

Any revaluation increase arising on the revaluation of land and building is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property and equipment relating to a previous

revaluation of that asset. The surplus on revaluation of land and building to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated profit.

Depreciation is charged to income on straight line method so as to write off the depreciable amount of the operating fixed assets over their estimated useful lives as disclosed in note 6.1, while leasehold land is amortized over the lease period extendable up to 99 years. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Incremental depreciation arising out of surplus on revaluation of property and equipment is transferred to accumulated profit through statement of changes in equity.

Minor renewals/replacements/repairs and maintenance cost are charged to income as and when incurred. Major renewals and replacements are capitalized.

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of operating fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of profit or loss.

#### **5.4.2 Capital work in progress**

Capital work in progress is stated at cost less impairment losses (if any). It consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. All expenditure including borrowing cost connected with specific assets incurred during the construction and installation period are carried under capital work in progress. Items are transferred to operating fixed assets as and when they are available for use.

#### **5.5 Intangible assets**

Costs that are associated with identifiable softwares and economic benefits are probable for more than one year therefrom, are recognized as intangible assets.

Intangible assets are stated at cost less accumulated amortization and impairment if any, except assets that are not available for its intended use, which are stated at cost. Amortization is charged using the straight-line method at rates given in relevant note to write off the historical cost of assets over their estimated useful life. Amortization on additions is commenced from the month the asset is available for use up to the month preceding the month of disposal.

#### **5.6 Investment property**

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognized in statement of profit or loss.



Cost of investment property includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Minor renewals/replacements/repairs and maintenance costs are charged to income as and when incurred. Major renewals and replacements are capitalized.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of profit or loss.

## **5.7 Long term investments**

### **5.7.1 Investment in associates**

Associates are those entities in which the Company has significant influence by having common directorship or equity stake of 20% or more but do not have control over the financial and operating policies. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

The carrying amount of the investment in associates is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associates. Changes resulting from the profit or loss generated by the associate are reported within 'Share of profit/loss from associated companies' in statement of profit or loss.

Changes resulting from other comprehensive income of the associates or items recognised directly in the associates' equity are recognised in other comprehensive income or equity of the Company, as applicable.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

### **5.7.2 Equity instruments - FVOCI**

These investments are intended to be held for any indefinite period of time but may be sold in response to the need for liquidity or changes in fair value. These are initially recognised at cost and at subsequent reporting dates measured at fair values. Gains and losses from changes in fair values are taken to the statement of comprehensive income until disposal at which time these are reclassified to statement of profit or loss.

## **5.8 Revenue recognition**

Revenue comprises of the fair value of the consideration received or receivable from the provision of services in the ordinary course of the Company's activities.

Revenue is recognized at point when it is probable that the economic benefits associated with the transactions will flow to the Company. The Company performs its performance obligation and the amount of revenue can be measured reliably. The revenue arising from different activities of the Company is recognized on the following basis:

### **Rental income**

Rental income from Company's investment property is recognized on a straight-line basis over the term of the rent agreement.

## **5.9 Other income**

- a) Income from bank deposits and held to maturity investments are recognized on a time proportion basis.
- b) Any other income is recognised on accrual basis.

## **5.10 Foreign currency transactions**

Transactions in foreign currencies are converted into Pak rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rate prevailing on the statement of financial position date. All exchange differences resulting from the settlement of such transactions and from the remeasurement of monetary assets and liabilities are included in the statement of profit or loss.

## **5.11 Provisions**

Provisions for legal disputes, onerous contracts or other claims are recognized in statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

## **5.12 Financial instruments**

### **5.12.1 Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.



## Amortized Cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Equity Investments at FVOCI

These assets are initially measured at cost plus transaction cost that are directly attributable to its acquisition. Subsequently, these are measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

## Financial assets at FVTPL

These assets are initially recognized at cost. Subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

## Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

## Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

## Receivables and deposits

Receivables include accounts receivables, deposits and other receivables. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Receivables are assessed on regular basis for impairment and if there is any doubt about the recoverability of these receivables, appropriate amount of provision is made.

### 5.12.2 Financial liabilities

Financial liabilities are measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Subsequent to initial recognition borrowings are measured at amortised cost using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued mark-up on borrowings to the extent of the amount remain unpaid.

### Accrued and other payables

Accrued and other payables include accrued liabilities, accrued mark-up and deposits. Subsequent to initial recognition, accrued and other payables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

### 5.13 Receivables

Account receivables are recognized and carried at original invoiced amount which is fair value of the consideration to be received in future. An estimated provision for doubtful debts is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.

### 5.14 Other receivables

Other receivables are recognized at fair value of the consideration to be received in future.

### 5.15 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current and saving accounts, bank overdrafts/short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.



**5.16 Cash and bank balances**

Cash in hand and at banks are carried at nominal amount.

**5.17 Related party transactions**

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

**5.18 Share capital**

Share capital represents the nominal value of shares that have been issued.

**5.19 Earnings per share**

The Company presents earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

**5.20 Dividend and apportioning to reserves**

Interim dividends distributions are recognized in the period in which the dividends are declared by the Board of Directors, while final dividend distributions are recognized as liability in the financial statements in the period in which the dividend are approved by the Company's shareholders at the Annual General Meeting. Appropriation to reserves are recognized in the financial statements in the period in which these are paid.

**5.21 Apportioning to reserve**

The Company operates a fixed assets replacement reserve to ensure that sufficient funds remain available for replacement / purchase of fixed assets of common use, or any part thereof, relating to ISE Towers as per policy approved by the Board of Directors. The contribution to the fund is recoverable at a rate fixed by the Board from all the concerned stakeholders and is to be utilized exclusively for this purpose. The Company also set aside/contribute equivalent amount to this reserve from its accumulated profit.

**6. PROPERTY AND EQUIPMENT**

		2023	2022
	Note	----- (Rupees in '000) -----	-----
Operating fixed assets	6.1	1,159,717	1,158,804
Capital work in progress	6.2	35,860	1,240
		<u>1,195,577</u>	<u>1,160,044</u>

6.1 OPERATING FIXED ASSETS

Description	Leasehold land	Building on leasehold land	Electrical equipment	HVAC equipment	Plumbing installations	Elevators	Security equipment	IT equipment	Security systems	Furniture and fixture	Office equipment	Vehicles	Computers & accessories	Total
(Rupees in '000)														
<b>Net carrying value basis year ended June 30, 2023</b>														
Opening net book value (NBV)	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804
Additions (at cost)	-	-	2,478	274	-	-	3,905	343	155	855	546	-	-	8,557
Transfers from CWIP	-	-	2,644	1,098	-	-	2,784	-	137	828	280	-	414	8,184
Revaluation adjustment for the year	8,619	19,682	-	-	-	-	-	-	-	-	-	-	-	28,301
Depreciation charge	(8,618)	(13,449)	(1,347)	(995)	-	(13,042)	(2,651)	(70)	(1,163)	(704)	(347)	(1,456)	(287)	(44,129)
Net book value	663,602	376,180	12,197	4,125	-	82,511	10,831	332	570	3,485	2,124	3,429	329	1,159,717
<b>Gross carrying value basis year ended June 30, 2023</b>														
Cost / Revalued amount	663,601	369,947	80,101	158,057	5,521	130,464	23,188	12,370	7,617	8,968	4,343	7,281	4,066	1,475,526
Revaluation adjustment for the year	8,619	19,682	-	-	-	-	-	-	-	-	-	-	-	28,301
Accumulated depreciation	(8,618)	(13,449)	(67,904)	(153,932)	(5,521)	(47,953)	(12,357)	(12,038)	(7,047)	(5,483)	(2,219)	(3,852)	(3,737)	(344,110)
Net book value	663,602	376,180	12,197	4,125	-	82,511	10,831	332	570	3,485	2,124	3,429	329	1,159,717
<b>Net carrying value basis year ended June 30, 2022</b>														
Opening net book value (NBV)	655,306	327,473	4,452	4,741	-	108,595	5,743	115	1,811	5,277	2,514	2,316	2,993	1,121,336
Additions (at cost)	-	-	2,227	-	-	-	1,146	-	353	-	310	3,402	119	7,557
Transfers from CWIP	-	-	2,754	-	-	-	1,879	-	479	-	-	-	-	5,112
Loss of control of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	(4,823)	(4,156)	-	-	(4,893)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	2,715	3,252	-	-	2,285
Assets written off	-	-	-	-	-	-	-	-	-	(2,108)	(904)	-	-	(2,608)
Cost	-	-	(8)	-	-	-	-	(91)	-	(193)	(86)	-	-	(528)
Accumulated depreciation	-	-	8	-	-	-	-	91	-	127	83	-	-	460
Write-off (NBV)	-	-	-	-	-	-	-	-	-	(66)	(3)	-	-	(69)
Revaluation adjustment for the year	16,696	53,957	-	-	-	-	-	-	-	-	-	-	-	70,654
Depreciation charge	(8,401)	(11,483)	(1,011)	(993)	-	(13,042)	(1,975)	(56)	(1,202)	(596)	(272)	(833)	(302)	(40,166)
Net book value	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804
<b>Gross carrying value basis year ended June 30, 2022</b>														
Cost / Revalued amount	655,306	327,473	74,979	156,685	5,521	130,464	16,499	12,027	7,325	7,286	3,517	7,281	3,652	1,408,015
Revaluation adjustment for the year	16,696	53,957	-	-	-	-	-	-	-	-	-	-	-	70,654
Accumulated depreciation	(8,401)	(11,483)	(66,557)	(152,937)	(5,521)	(34,911)	(9,706)	(11,968)	(5,884)	(4,779)	(1,872)	(2,396)	(3,450)	(319,865)
Net book value	663,601	369,947	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804
Depreciation Rates	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	33%

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

6.1.2 Building is located on leasehold land with covered area of 48,117 sq. fts.

6.1.3 Depreciation charge for the year amounting to Rs. 44,129 million includes incremental depreciation on revaluation surplus amounting to Rs. 10,381 million (2022: Rs. 10,029 million).



The cost of fully depreciated assets which are still in use as at June 30, 2023 amounts to Rs. 543 million (2022: Rs. 533.8 million).

- 6.1.5 The Company has revalued its lease hold land and buildings on June 30, 2023 by independent valuer M/s Asif Associates (Private) Limited on the basis of market value. At the above date, the revaluation resulted in a surplus of Rs. 28.301 million. Valuations for leasehold land and building on leasehold land were based on fair market value.

Name of independent valuer	Date of revaluation	Revaluation surplus
		Rupees in '000
M/S Asif Associates (Private) Limited	30-Jun-23	28,301
	30-Jun-22	70,654
	30-Jun-21	91,222

- 6.1.6 The forced sale value of the revalued lease hold land and building has been assessed at Rs. 564.061 million and Rs. 319.753 million respectively, as on June 30, 2023.

- 6.1.7 Had there been no revaluation the carrying values would have been as under:

Description	2023		2022	
	Cost	Book value	Cost	Book value
	----- (Rupees in '000) -----			
Leasehold land	309,808	256,441	309,808	259,570
Building on leasehold land	373,025	266,377	373,025	275,702
	<u>682,833</u>	<u>522,817</u>	<u>682,833</u>	<u>535,272</u>

## 6.2 Capital work in progress

Description	Balance as on July 01, 2022	Additions	Transfers / Charged off	Balance as on June 30, 2023
		----- (Rupees in '000) -----		
Electrical equipment	-	2,644	2,644	-
HVAC	-	1,098	1,098	-
Security systems	-	137	137	-
Smoke venting system	504	35,356	-	35,860
Office equipment	-	280	280	-
Security equipment	-	2,784	2,784	-
Computer	-	414	414	-
Office renovation	736	125	861	-
	<u>1,240</u>	<u>42,838</u>	<u>8,218</u>	<u>35,860</u>

7. INTANGIBLE ASSETS	Note	2023	2022
		----- (Rupees in '000) -----	
Computer software - in use	7.1	124	424
Capital work in progress - computer software		1,838	1,838
		<u>1,962</u>	<u>2,262</u>

		2023	2022
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
7.1	The movement in this head is as follows:		
	Opening balance	424	862
	Amortization	(300)	(438)
	Closing balance	<u>124</u>	<u>424</u>
<b>8.</b>	<b>INVESTMENT PROPERTY</b>		
	At fair value:		
	Buildings	8.1 <u>5,096,305</u>	<u>4,155,638</u>
8.1	The movement in this head is as follows:		
	Opening balance	4,155,638	4,046,972
	Fair value gain on revaluation shown in statement of profit or loss	<u>940,667</u>	<u>108,666</u>
		<u>5,096,305</u>	<u>4,155,638</u>
8.2	This represents office spaces in ISE Towers held to earn rentals and for capital appreciation. The carrying value of investment property is the fair value of the property based on the valuation carried by approved independent valuer Asif Associates (Private) Limited on June 30, 2023. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition. There has been no change in valuation technique during the year. In estimating the fair value of property, the highest and best use of properties in their current use has been considered.		
8.3	Forced sale value of the investment property is assessed at Rs. 4,331.859 million on June 30, 2023.		
8.4	There are no non-cancellable operating leases of the Company as at June 30, 2023.		
8.5	The change in fair value of investment property is presented in the statement of profit or loss. The rental income in respect of this property amounting to Rs. 346.438 million has been recognized in the statement of profit or loss as operating income as disclosed in note 27. The Company's proportionate operating expenses pertaining to this property are recognized in the statement of profit or loss.		
8.6	Investment property is located on leasehold land with covered area of 240,076 sq. ft.		
		2023	2022
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>9.</b>	<b>LONG TERM INVESTMENTS</b>		
	Under equity method	9.1 323,946	282,280
	Equity investments - FVOCI	9.2 <u>172,114</u>	<u>164,243</u>
		<u>496,060</u>	<u>446,523</u>
<b>9.1</b>	<b>Under equity method</b>		
	<b>Associated companies - unquoted</b>		
	National Clearing Company of Pakistan Limited	9.1.1 252,476	248,492
	Pakistan Mercantile Exchange Limited	9.1.2 57,621	22,195
	Digital Custodian Company Limited	9.1.3 <u>13,849</u>	<u>11,593</u>
		<u>323,946</u>	<u>282,280</u>



	2023	2022
	----- (Rupees in '000) -----	
<b>9.1.1 National Clearing Company of Pakistan Limited (NCCPL)</b>		
Investment - at cost	82,208	82,207
Share in post acquisition profits brought forward	166,285	176,820
Share in profits for the year	28,213	40,556
Share in other comprehensive loss for the year	(1,496)	(428)
Dividend received during the year	(22,734)	(50,664)
	3,983	(10,536)
	<u>170,268</u>	<u>166,285</u>
	<u>252,476</u>	<u>248,492</u>
<b>9.1.2 Pakistan Mercantile Exchange Limited (PMEX)</b>		
Investment - at cost	61,886	61,886
Share in post acquisition losses brought forward	(39,690)	(49,764)
Share in profits for the year	35,425	10,073
	<u>57,621</u>	<u>22,195</u>
<b>9.1.3 Digital Custodian Company Limited (DCCL)</b>		
Investment - at cost	9,969	9,969
Fair Value adjustment	1,624	3,191
	<u>11,593</u>	<u>13,161</u>
Share in profits/loss for the year	1,941	(1,967)
Share in OCI for the year	315	399
	<u>13,849</u>	<u>11,593</u>

9.1.4 The Company has the following shareholding structure in associates:

	2023		2022	
	Share held	% age	Share held	% age
NCCPL	11,865,236	11.76%	11,865,236	11.76%
PMEX	5,568,677	17.76%	5,568,677	17.76%
DCCL	4,704,480	9.00%	1,000,000	9.00%

9.1.5 In all above cases, the Company has significant influence due to its representation on the board of the directors of investees and consequently, they have been treated as associates according to the requirements of IAS 28 'Investments in Associates'. The shares of these associates are not listed on stock exchanges and hence published price quotes are not available. The principal place of NCCPL, PMEX and DCCL is Karachi, Sindh.

9.1.6 Summary of financial information of associates based on their accounts as at year end is as follows:

	2023			
	Assets	Liabilities	Revenues	Net profit
	----- (Rupees in '000) -----			
NCCPL	16,933,776	14,787,770	1,220,540	239,807
PMEX	4,769,314	4,463,438	676,898	199,485
DCCL	560,740	23,976	100,018	21,561

		2022			
		Assets	Liabilities	Revenues	Net profit
		(Rupees in '000)			
	NCCPL	19,303,109	17,190,955	1,316,798	344,722
	PMEX	3,019,257	2,912,866	373,106	56,725
	DCCL	525,343	721,549	53,524	(21,858)
			Note	2023	2022
				(Rupees in '000)	
<b>9.1.7</b>	<b>Share of other comprehensive loss of associates - net</b>				
	Share in OCI for the year - DCCL			315	399
	Share in other comprehensive loss for the year - NCCPL			(1,496)	(428)
				<u>(1,181)</u>	<u>(29)</u>
<b>9.2</b>	<b>Equity investments - FVTOCI</b>				
	Central Depository Company of Pakistan Limited		9.2.1	161,941	154,854
	VIS Credit Rating Company Limited (VIS)		9.2.2	10,173	9,389
				<u>172,114</u>	<u>164,243</u>
<b>9.2.1</b>	<b>Central Depository Company of Pakistan Limited</b>				
	Investment - at cost			47,163	47,163
	Fair value adjustment		9.2.1.1	114,778	107,691
			9.2.1.2	<u>161,941</u>	<u>154,854</u>
<b>9.2.1.1</b>	<b>Fair value adjustment</b>				
	Opening			107,691	89,391
	For the year transferred to other comprehensive			7,087	18,300
	Closing			<u>114,778</u>	<u>107,691</u>
<b>9.2.1.2</b>	This represents investment in 8.750 million (June 30, 2022: 7.50 million) ordinary shares of Central Depository Company of Pakistan Limited. The fair value of these securities are determined as per adjusted net asset method valuation as these securities are neither listed nor market prices are available. Gain on remeasurement of equity investment - FVOCI has been recognized directly in equity through other comprehensive income. The increase in number of shares is because of bonus issue.				
		Assets	Liabilities	Revenues	Profit
		(Rupees in '000)			
	CDC (June 30, 2023)	<u>7,749,910</u>	<u>1,272,295</u>	<u>2,173,781</u>	<u>812,171</u>
	CDC (June 30, 2022)	<u>7,259,892</u>	<u>1,065,751</u>	<u>2,058,054</u>	<u>770,787</u>
		2023		2022	
		Share held	% age	Share held	% age
	CDC	<u>8,750,000</u>	<u>2.5%</u>	<u>7,500,000</u>	<u>2.5%</u>



	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>9.2.2 VIS Credit Rating Company Limited</b>			
Investment - at cost		4,756	4,756
Fair value adjustment	9.2.2.1	5,417	4,633
		<u>10,173</u>	<u>9,389</u>
<b>9.2.2.1 Fair value adjustment</b>			
Opening		4,633	2,998
For the year transferred to other comprehensive income		784	1,635
Closing		<u>5,417</u>	<u>4,633</u>
		<u>Assets</u>	<u>Liabilities</u>
		<u>Revenues</u>	
		<u>Profit</u>	
		<u>----- (Rupees in '000) -----</u>	
VIS (June 30, 2023)		<u>288,550</u>	<u>85,076</u>
VIS (June 30, 2022)		<u>270,121</u>	<u>82,325</u>
		<u>2023</u>	<u>2022</u>
		<u>Share held</u>	<u>% age</u>
VIS		<u>100,000</u>	<u>5.0%</u>
		<u>100,000</u>	<u>5.0%</u>
		<u>2023</u>	<u>2022</u>
	Note	<u>----- (Rupees in '000) -----</u>	<u>----- (Rupees in '000) -----</u>
<b>9.2.3 Surplus on investment of equity investment - FVOCI</b>			
Central Depository Company of Pakistan Limited	9.2.1.1	114,778	107,691
VIS Credit Rating Company Limited	9.2.2.1	5,417	4,633
		<u>120,195</u>	<u>112,324</u>
<b>9.2.3.1 Fair value adjustment</b>			
Opening		112,324	92,389
For the year transferred to other comprehensive		7,871	19,935
Closing		<u>120,195</u>	<u>112,324</u>
<b>10. LONG TERM DEPOSITS</b>			
Advances		128	179
<b>Deposits with:</b>			
Islamabad Electric Supply Company Limited		11,878	11,878
Sui Northern Gas Pipelines Limited		2,650	2,650
Others		250	176
	10.1	<u>14,906</u>	<u>14,883</u>
10.1	These deposits are against acquisition of non-financial services having undefined time period. These are carried at cost as impact of amortization is not material in respect of these financial statements.		

	Note	2023 ----- (Rupees in '000) -----	2022
<b>11. DEFERRED TAXATION</b>			
Deferred tax asset	11.1	<u>25,352</u>	<u>49,829</u>
11.1 Deferred tax asset is in respect of the following temporary differences:			
<b>Taxable temporary differences</b>			
Accelerated depreciation allowance		168,967	168,967
Long term investments		17,509	17,509
Surplus on revaluation of property and equipment		<u>53,177</u>	<u>49,288</u>
		<u>239,653</u>	<u>235,764</u>
<b>Deductible temporary differences</b>			
Provision for compensated absences		(494)	(494)
Carry forward of accumulated tax losses/unabsorbed		<u>(264,511)</u>	<u>(285,099)</u>
		<u>(265,005)</u>	<u>(285,593)</u>
	11.2 & 11.3	<u>(25,352)</u>	<u>(49,829)</u>

11.2 Net deferred tax asset has been recognized on the basis of future profitability as the result of future projected profitable operations to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax asset amounting to Rs. 224.074 million (2022: Rs. 232.631 million) has not been recognized as management believes that deferred tax asset presently carried is based on expectation of utilization of carry forward losses and future projections of profit. During the year change has been made only in respect of revaluation surplus due to incremental depreciation and reversal of carried forward losses on account of lapse of six tax years. No deferred tax has been recognized on gratuity as the Company is claiming it as tax expense.

### 11.3 Movement in deferred taxation

The balance of deferred tax is in respect of the following temporary differences:

Deferred tax liabilities / (assets)	As at July 01, 2022	Profit and loss account	Other comprehensive income	As at June 30, 2023
	----- (Rupees in '000) -----			
<b>Effects of taxable temporary differences</b>				
Accelerated depreciation	168,967	-	-	168,967
Long term investments - under equity method	17,509	-	-	17,509
Surplus on revaluation of property and equipment	49,288	(1,819)	5,708	53,177
<b>Effects of deductible temporary differences</b>				
Provision for compensated absences	(494)	-	-	(494)
Carry forward of accumulated tax	<u>(285,099)</u>	<u>20,588</u>	<u>-</u>	<u>(264,511)</u>
	<u>(49,829)</u>	<u>18,769</u>	<u>5,708</u>	<u>(25,352)</u>



Deferred tax liabilities / (assets)	As at July 01, 2021	Profit and loss account	Other comprehensive income	As at June 30, 2022
----- (Rupees in '000) -----				
<b>Effects of taxable temporary differences</b>				
Accelerated depreciation	168,967	-	-	168,967
Long term investments - under	17,509	-	-	17,509
Surplus on revaluation of property and equipment	35,436	(1,796)	15,648	49,288
<b>Effects of deductible temporary differences</b>				
Provision for compensated	(494)	-	-	(494)
Depreciation on property and equ	(184)	184	-	-
Amortization of intangibles	(1)	1	-	-
Carry	(295,934)	10,835	-	(285,099)
	<u>(74,701)</u>	<u>9,224</u>	<u>15,648</u>	<u>(49,829)</u>

	Note	2023 ----- (Rupees in '000) -----	2022
<b>12. RECEIVABLES</b>			
Rent Receivable		115	110
Receivable from building occupants	12.1	47,864	27,840
Receivable from REIT scheme		15,572	8,940
Due from sub lessee		500	500
Others		3,990	2,670
		<u>68,041</u>	<u>40,060</u>
Considered doubtful based on expected credit loss		1,255	1,255
		<u>69,296</u>	<u>41,315</u>
Allowance for ECL		(1,255)	(1,255)
		<u>68,041</u>	<u>40,060</u>
12.1 This represents receivables from occupants of building on account of utilities and other maintenance services.			
<b>13. ADVANCES AND PREPAYMENTS</b>			
Advances	13.1	6,608	4,772
Prepayments		531	2,751
		<u>7,139</u>	<u>7,523</u>

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>13.1 Advances</b>			
Unsecured - considered good			
Advances to:			
Staff	13.1.1	2,720	877
Contractors	13.1.2	3,888	3,895
		<u>6,608</u>	<u>4,772</u>
Considered doubtful based on expected credit loss (ECL)		225	225
		<u>6,833</u>	<u>4,997</u>
Allowance for ECL		(225)	(225)
		<u>6,608</u>	<u>4,772</u>

13.1.1 Advances to employees are given for the purpose of meeting personal expenses. These advances are interest free and recoverable in eighteen equal monthly instalments. These advances are secured by way of amount due to employees against their gratuity fund balances.

13.1.2 This represents advances given to various parties which mainly include amount of Rs. 1.407 million related to payment made to M/s Islamabad Industrial Trading Corporation for purchase of spare parts of elevators.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>14 TAX REFUND DUE FROM GOVERNMENT</b>			
Considered good			
Income tax - opening		1,593	30,600
Disposal of subsidiary		-	(3,045)
Advance - Income tax paid during the year		-	73,454
		<u>1,593</u>	<u>101,009</u>
Transferred to tax due to government		(1,593)	(99,416)
Income tax - closing		-	1,593
		<u>-</u>	<u>1,593</u>

**15 SHORT TERM INVESTMENTS**

**Investment held at amortized cost**

Treasury bills	15.1	757,579	636,321
Term deposit certificate(TDR)	15.2	37,608	-

**Investment held at FVTPL**

Investment in Mutual funds	15.3	46,560	-
		<u>841,747</u>	<u>636,321</u>

**15.1 Treasury bills**

Treasury bills	15.1.1	734,544	624,716
Accrued interest		23,035	11,605
		<u>757,579</u>	<u>636,321</u>

15.1.1 This represents investment in treasury bills (T-Bills) having maturity from July 13, 2023 to September 07, 2023 and carries yield rate ranging from 20.9% to 21.9% (2022 : 14.19% to 15.11%) per annum.





	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>18 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX</b>			
Balance brought forward		465,356	404,732
Revaluation of property and equipment during the year	18.1	28,301	70,654
Less:			
- Transferred to equity in respect of incremental depreciation charged during the year-net of deferred tax		(8,563)	(8,234)
- Related deferred tax liability during the year transferred to statement of profit or loss	11.3	(1,819)	(1,796)
		<u>(10,382)</u>	<u>(10,030)</u>
		483,275	465,356
Less: Related deferred tax effect:			
Balance as at July 01		49,290	35,438
- On revaluation during the year	11.3	5,708	15,648
- Incremental depreciation charged during the year transferred to statement of profit or loss	11.3	(1,819)	(1,796)
		<u>(53,179)</u>	<u>(49,290)</u>
		<u>430,096</u>	<u>416,066</u>

18.1 This represents surplus resulting from revaluation of operating fixed assets determined by approved independent valuer M/s Asif Associates (Private) Limited on June 30, 2023. Please refer to note 6.1.5 of these financials statements for more details in this respect.

18.2 The surplus on revaluation of property equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>19 OTHER RESERVES</b>			
Capital reserve		150,627	111,776
- Fixed assets replacement reserve		3,281,398	2,210,243
Revenue reserves		-	1,645
Derecognition of subsidiary on loss of control		<u>3,432,025</u>	<u>2,323,664</u>
<b>19.1 Fixed assets replacement reserve</b>			
Opening		111,776	66,997
Contribution for the year		50,954	53,617
Reserve utilized during the year		<u>(12,103)</u>	<u>(8,838)</u>
Closing		<u>150,627</u>	<u>111,776</u>

19.1.1 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 occupants. The Company also set aside/contribute equivalent amount to this reserve from its accumulated profit.



	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>20. LONG TERM DEPOSITS</b>			
Security deposits	20.1	<u>23,203</u>	<u>21,908</u>

20.1 This represents deposits received from tenants of ISE Towers that are refundable on expiry or termination of lease agreements. The deposits are not usable for business purpose, hence maintained in separate bank account. These are carried at nominal value as impact of amortization of these is not material in respect of these financial statements.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>21. DEFERRED LIABILITIES</b>			
Staff retirement benefits - gratuity	21.3	20,240	15,073
Compensated absences	21.4	<u>5,543</u>	<u>4,366</u>
		<u>25,783</u>	<u>19,439</u>

### 21.1 General description

The scheme provides for terminal benefits for all its permanent/contractual employees who attain the minimum qualifying period at varying percentages of last drawn gross salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2023 using the Projected Unit Credit Method.

#### 21.1.1 Risks associated with the scheme

The Company faces the following risks on account of gratuity:

##### (a) Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

##### (b) Demographic Risks

**Mortality Risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**Withdrawal Risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**Discount rate** - The plan liabilities are calculated using a discount rate set with reference to government bond yields. The term of the assumed yield of the government bond is consistent with the estimated term of the post-employment benefit obligations. This is in compliance with Pakistan Society of Actuaries Guidance Note 4 and the subsequent notes on discount rate assumptions issued by the Pakistan Society of Actuaries.

21.2 Actuarial assumptions have been disclosed in the note 5.1.1 & 5.1.2 of these financial statements.

	Note	2023 (Rupees in '000)	2022			
<b>21.3 Staff retirement benefits - gratuity</b>						
<b>21.3.1 Liability recognized in the statement of financial position</b>						
Present value of defined benefit obligation	21.3.3	<u>20,240</u>	<u>15,073</u>			
<b>21.3.2 Movement of the liability recognized in the statement of financial position</b>						
Opening net liability		15,073	12,068			
Charge for the year	21.3.4	4,071	2,986			
Benefits due but not paid during the year		(30)	-			
Actuarial loss recognised in other comprehensive income	21.3.5	1,126	360			
Benefits paid during the year		-	(341)			
Closing net liability		<u>20,240</u>	<u>15,073</u>			
<b>21.3.3 Movement in present value of defined benefit obligations</b>						
Opening present value of defined benefit obligations		15,073	12,068			
Current service cost for the year		2,076	1,796			
Interest cost for the year		1,995	1,190			
Remeasurement loss on obligation	21.3.5	1,126	360			
Benefits due but not paid during the year		(30)	-			
Benefits paid during the year		-	(341)			
		<u>20,240</u>	<u>15,073</u>			
<b>21.3.4 Amount recognised in profit or loss account</b>						
Current service cost		2,076	1,796			
Interest cost		1,995	1,190			
Charge for the year		<u>4,071</u>	<u>2,986</u>			
<b>21.3.5 Remeasurement chargeable to other comprehensive income</b>						
Loss on remeasurement of obligation		<u>1,126</u>	<u>360</u>			
<b>21.3.6 Comparison of liabilities for five years</b>						
		<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
		----- (Rupees in '000) -----				
		<u>20,240</u>	<u>15,073</u>	<u>12,068</u>	<u>12,333</u>	<u>11,097</u>

**21.3.7 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2023 is as follows:

	Increase in Assumption ----- (Rupees in '000) -----	Decrease in Assumption
Discount rate (Effect in Rupees)	19,205	21,374
Salary increase (Effect in Rupees)	21,426	19,141



21.3.8 The charge in respect of defined benefit plan for the year ending June 30, 2024 is estimated to be Rs. 5.683 million. Further the Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented.

### 21.3.9 Principal actuarial assumptions

<b>Mortality table</b>	<b>2023</b>	<b>2022</b>
Discount rate (%)	16.25	13.25
Expected rate of increase in salary (%)	15.25	12.25
Average expected remaining working life time of employee(Years)	9.4	6
Weighted average duration of the defined benefits obligation(Years)	5	6
Maturity profile	SLIC(2001-05)	

### 21.3.10 Maturity Analysis

One year	2,092
One to five years	13,255
After five years	188,637

	Note	2023 (Rupees in '000)	2022
<b>21.4 Compensated absences</b>			
<b>21.4.1 Liability recognized in the statement of financial position</b>			
Present value of defined benefit obligation	21.4.3	<u>5,543</u>	<u>4,366</u>
<b>21.4.2 Movement of the liability recognized in the statement of financial position</b>			
Opening liability		4,366	3,578
Charge for the year	21.4.4	1,197	873
Benefits due but not paid during the year		(20)	-
Benefits paid during the year		-	(85)
		<u>5,543</u>	<u>4,366</u>
<b>21.4.3 Movement in present value of defined benefit obligations</b>			
Opening present value of defined benefit obligations		4,366	3,578
Current service cost for the year		220	270
Interest cost for the year		577	353
Benefits due but not paid during the year		(20)	-
Benefits paid during the year		-	(85)
Remeasurement loss on obligation	21.4.5	400	250
Closing present value of defined benefit obligations		<u>5,543</u>	<u>4,366</u>
<b>21.4.4 Amount recognised in profit or loss account</b>			
Current service cost		220	270
Actuarial loss		400	250
Interest cost for the year		577	353
		<u>1,197</u>	<u>873</u>
<b>21.4.5 Remeasurement chargeable to profit or loss</b>			
Remeasurement loss on obligation		<u>400</u>	<u>250</u>

**21.4.6 Comparison of liabilities for previous years**

2023	2022	2021	2020	2019
----- (Rupees in '000) -----				
5,543	4,366	3,578	3,460	3,823

**21.4.7 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2023 is as follows:

	Increase in Assumption ----- (Rupees in '000) -----	Decrease in Assumption ----- (Rupees in '000) -----
Discount rate (Effect in Rupees)	5,243	5,877
Salary increase (Effect in Rupees)	5,861	5,253

21.4.8 The Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented. The general description and other related disclosure has been presented in the note 5.1 of these financial statements.

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>22. ACCRUED AND OTHER PAYABLES</b>			
Proceeds from sale of assets of security brokers in default	22.1	23,472	18,006
Payable on account of cancellation of sub lease	22.2	11,375	11,375
Accrued liabilities	22.3	15,844	13,745
Corporate social responsibility (CSR)	22.4	6,854	6,452
Audit fee payable		400	430
Other payables		4,507	3,379
		<u>62,452</u>	<u>53,387</u>

22.1 This represents amount received from disposal of assets of defaulting/expelled security brokers. This mainly includes amounts received from sale of assets of M/s Intergain Securities and Riaz Mahmood amounting to Rs. 1.24 million (2022: Rs. 1.24 million) and Rs. 4.45 million (2022: Rs. 4.45 million), respectively. These amounts are to be utilized for the settlement of dues including investors' claims of the defaulting security brokers through fund committee constituted by Securities and Exchange Commission of Pakistan (SECP).

22.2 This represents the amount payable to an ex-sub lessee upon cancellation of sub lease agreement in accordance with terms contained therein, consequent upon failure of sub lessee to pay the balance amount to the Company. The amount equivalent to 10% of the sale consideration stands forfeited as per terms of the agreement.

22.3 This includes Rs. 13.09 million (2022: Rs. 13.09 million) payable to the building contractors, settlement of which is pending due to ongoing litigation as disclosed in note 26.1.

22.4 During the year, a contribution of Rs. 1 million has been made to the CSR fund. Moreover, an amount of Rs. 595,628 has been utilized out of this fund as annual scholarship payment to eligible students.



	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>23. ADVANCES AND DEPOSITS</b>			
Advance rent	23.1	136,419	131,213
Deposit from members against exposure and clearing house		970	970
Retention money & security deposits		11,573	10,408
		<u>148,962</u>	<u>142,591</u>
<b>23.1 Advance rent</b>			
Opening balance		131,213	92,947
Received during		210,374	253,663
Income recognized during the year		(205,168)	(215,397)
		<u>136,419</u>	<u>131,213</u>

23.1.1 Advance rent is received from tenants of ISE Towers on account of operating lease of offices.

	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
<b>24. TAX PAYABLE TO GOVERNMENT</b>		
Income tax - opening		
Transferred from tax refund from government	(1,593)	-
Provision for taxation for the year	109,021	-
	<u>107,428</u>	-
Advance - Income tax paid during the year	(97,025)	-
Income tax - closing	<u>10,403</u>	-
<b>25 UNCLAIMED DIVIDEND</b>		
Unclaimed dividend	<u>25,303</u>	<u>20,110</u>
The reconciliation of carrying amount is as follows:		
Opening balance	20,110	14,207
Dividends declared	238,673	220,312
Dividends paid	(233,480)	(214,409)
	<u>25,303</u>	<u>20,110</u>

## 26 CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

#### a) Legal case against the Company:

M/s MRA Altec Construction (Private) Limited Vs the Company for recovery of Rs. 137.07 million on account of escalation and interest thereon relating to construction contract with ISE. Based on the terms of contract, an amount of Rs. 20.95 million is payable to the contractor recognized under accrued & other payables and advances and deposits.

The arbitrator appointed by the Honorable Court has given his award of Rs. 41.57 million as payable to MRA Altec construction (Pvt) limited. Both the parties being aggrieved of the decision of the arbitrator, filed appeals before the Islamabad High Court, which are pending for adjudication.

**b) Legal cases against the Company while operating as Stock Exchange:**

Mr. Sarmad Latif Siddiqui Vs Islamabad Stock Exchange Limited (for the recovery and injunction of Rs. 7.5 million). Consequent upon dismissal of application of Mr. Sarmad Latif. Mr. Sarmad Latif Siddiqui, filed two separate appeals against dismissal orders; one in district court in context of declaratory suit and the other one in Islamabad High Court (IHC) for damages suit. The lower court allowed the appeal and suit was restored. ISE however moved against the decision of the appellate court and filed revision in IHC. The appellate order has been suspended and revision is pending. On the other hand, appeal of Mr. Sarmad Latif Siddiqui in second case is also pending adjudication at IHC.

- c) Certain cases relating to defaulted TREC Holders have been filed in which the Company is not a direct party. According to the legal advisor, the Company is not exposed to any loss in these cases. In addition, the defendants are the direct parties who may be held responsible for an obligation that may arise.
- d) The details of tax contingencies have been disclosed in the note 32 to these financial statements.
- e) Company's share in the contingencies of associates is Rs. 12.5 million (2022: Rs. 34.8 million).

**26.2 Commitments**

- a) Company's commitments for capital expenditure are Rs. 240.173 million (2022: Rs. 26.37 million).
- b) Company's share in the commitments of associates is nil. (2022: Rs. 4.904 million).

	2023	Consolidated 2022
	----- (Rupees in '000) -----	
<b>27 OPERATING INCOME</b>		
Rental income from investment property	346,438	302,942
Other rental	8,258	9,119
Trusteeship business	-	33,768
Custodial business	-	8,727
Private equity fund fee	-	3,930
Share Registrar Income	-	171
Debt securities trustee income	-	400
	<u>354,696</u>	<u>359,057</u>

- \* The consolidated figures in comparative information are inclusive of Rs. 46.996 million comprising the operating income of the then subsidiary of the company i.e, DCCL which is no more a subsidiary in current period.



		2023	Consolidated* 2022
	Note	----- (Rupees in '000) -----	
<b>28 DEPRECIATION AND AMORTIZATION</b>			
Depreciation		44,129	48,597
Amortization		300	4,706
		<u>44,429</u>	<u>53,303</u>
<b>29 OTHER ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits		17,669	45,622
Directors' meeting fee		1,175	4,275
Travelling and lodging		1,159	1,843
Postage, telephone and fax		469	614
Printing and stationery		1,193	1,207
Fees and subscription		-	2
Custody charges		-	64
News papers, books and periodicals		65	65
Publicity and advertisements		-	16
Rent, rates and taxes		5,454	9,517
Legal and professional charges		5,551	14,100
Auditors remuneration	29.1	615	733
Contract services		369	477
Repairs and maintenance		697	1,170
Seminars, meetings and entertainment		2,257	2,732
MIS / technology charges		698	506
Electricity, gas and water		3,831	4,999
Insurance		2,783	2,511
Written off of fixed assets		-	68
Real estate agent fee		461	734
Corporate social responsibility		1,000	1,000
Miscellaneous		688	455
		<u>46,135</u>	<u>92,710</u>

\* The consolidated figures in comparative information are inclusive of Rs. 48.794 million comprising the administrative expenses of the then subsidiary of the company i.e, DCCL which is no more a subsidiary in current period.

#### 29.1 Auditors remuneration

##### Audit services

Annual audit fee	400	555
Half yearly review fee	150	120
Out of pocket expenses	65	58
	<u>615</u>	<u>733</u>

#### 30. OTHER INCOME

##### Income from financial assets:

Profit on bank deposits and investments	102,623	59,584
Exchange gain	184	106

		2023	Consolidated* 2022
	Note	----- (Rupees in '000) -----	
Dividend income from associates		12,639	15,639
Dividend from mutual funds		25,108	-
<b>Income from non financial assets:</b>			
Room transfer fee		1,548	1,698
Income from branding		1,045	1,846
Asset service charges from tenants/occupants		25,477	25,536
Others	30.1	18,171	18,372
		<u>186,795</u>	<u>122,781</u>

30.1 This includes car parking fee and split unit charges charged from tenants during the year.

\* The consolidated figures in comparative information are inclusive of Rs. 4.144 million comprising the other income of the then subsidiary of the company i.e, DCCL which is no more a subsidiary in current period.

### 31. FINANCIAL CHARGES

This represents bank charges incurred during the year.

		2023	Consolidated 2022
	Note	----- (Rupees in '000) -----	
<b>32. TAXATION</b>			
Current			
For the year		125,490	101,343
For prior year		(16,469)	2,635
Deferred	11.3	18,769	9,622
		<u>127,790</u>	<u>113,600</u>

32.1 Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

Accounting profit for the current year	1,460,697	495,339
Applicable tax rate	29%	29%
Effect of fixed and final tax	-13%	-13%
Effect of change in tax rate	4%	4%
Others	1%	1%
Average effective tax rate	<u>21%</u>	<u>21%</u>

32.2 The Inland Revenue department (the department) had created tax demand of Rs. 3.256 million for tax year 2003 and 2004. The Commissioner Inland Revenue (CIR), however annulled the order of department. The department filed the appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR which is pending for adjudication.



32.3 The income tax return for tax year 2011 was selected for audit through computerized balloting by FBR and taxation officer amended the assessment on January 24, 2014 by creating a demand of Rs. 25.670 million. The Company filed appeal before Commissioner Appeals, Islamabad against the order of taxation officer. The Commissioner Appeals set aside the impugned order vide his appellate order dated April 22, 2014.

Re-assessment was framed by the taxation officer under section 124 of the Income Tax Ordinance, 2001 on June 30, 2015 by assessing net loss from business at Rs 91.555 million and created a tax liability against rental income amounting to Rs. 15.770 million. The appeal filed by the Company before Commissioner Appeals, Islamabad, was rejected vide his Appellate order dated June 20, 2016. Against the impugned order the company has filed second appeal before Appellate Tribunal, which is pending for adjudication.

A rectification application was also filed under section 221 against impugned order of the taxation officer dated June 30, 2015 requesting grant of brought forward losses, credits of tax paid/deducted at source during earlier years and erroneous computation of rental income.

32.4 The Commissioner Inland Revenue, Islamabad selected the tax year 2013 of the Company for audit under section 177 of Income Tax Ordinance, 2001. The Company contested the selection before the Commissioner, however the Commissioner rejected the application of the Company. The Company filed writ petition before the High Court and the Court granted the stay against the audit proceedings, whereas petition filed by the Company is pending for adjudication.

32.5 Income Tax officials / authorities has created a tax demand along with default surcharge at Rs. 7.559 million for tax year 2015 under section 161/205 of the Income Tax Ordinance, 2001.

The Company filed appeal dated February 23 , 2018 before Commissioner Income Tax (Appeals-I) Islamabad. The Commissioner Appeals remanded back the case with direction to conduct fresh proceedings in fair and just manner. The management being aggrieved has filed second appeal before Appellate Tribunal which is pending for adjudication.

32.6 Income Tax official / authorities has initiated the proceeding u/s 205(1B) of the Income Tax ordinance 2001 for tax year 2018 and demanded surcharge of Rs. 3.7 million, which is pending for adjudication.

32.7 Income Tax official / authorities has initiated the proceeding u/s rule 44(4) of the Income Tax rule 2002 read with section 161(1A) of the income tax ordinance 2001 for tax year 2020, which is pending for adjudication.

32.8 Sales Tax official / authorities has initiated the proceeding u/s 11(1) read with section 26 & 33 of the Sales Tax Act, 1990 for tax year 2016, which is pending for adjudication.

32.9 The income tax assessment of the Company have been finalized up to and including the tax year 2023. Tax returns are deemed to be assessed under section 120 of Income Tax Ordinance, 2001, unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

32.10 No provision has been made in the financial statements for all of the above alleged tax demand as the management based on the advise of legal advisor, is confident that the matter will be decided in favour of the Company.

	2023	Consolidated 2022
<b>33. EARNINGS PER SHARE</b>		
Profit after tax (Rupees in '000)	1,332,907	381,739
Weighted average number of ordinary shares at the end of the year (Numbers)	367,186,963	367,186,963
<b>Basic and diluted earnings per share (Rupee)</b>	<u>3.63</u>	<u>1.04</u>

33.1 There is no dilutive effect on the basic earnings per share of the Company.

	2023	Consolidated 2022
<b>33.2 Earnings per share comprises as follows:</b>		
Distributable profit		
- Profit before share of associate	0.89	0.61
- Share of the associate	<u>0.18</u>	<u>0.13</u>
	1.07	0.74
Undistributable - unrealised	33.2.1 <u>2.56</u>	<u>0.30</u>
	<u>3.63</u>	<u>1.04</u>

33.2.1 Under the provisions of Companies Act, 2017, unrealized gain on fair value of investment property is not distributable as dividend.

	2023	Consolidated 2022
<b>34. ADJUSTMENT FOR NON-CASH CHARGES AND OTHER ITEMS</b>		
Depreciation and amortization	28 44,429	40,579
Profit on bank deposits and investments	30 (102,623)	(59,609)
Exchange gain	30 (184)	(106)
Dividend income from associates	30 (12,639)	(11,638)
Dividend from mutual funds	30 (25,108)	-
Share of profits from associated companies	(65,579)	(50,629)
Fair value gain on investment property	8.1 (940,667)	(108,666)
Provision for gratuity	21 4,071	2,985



		2023	2022
	Note	----- (Rupees in '000) -----	-----
Provision for compensated absences	21	1,197	873
Written off of fixed assets		-	68
Financial charges	31	148	58
Others		-	10,268
		<u>(1,096,955)</u>	<u>(175,816)</u>
<b>35. FINANCIAL INSTRUMENTS</b>			
<b>35.1 Financial instruments by category</b>			
<b>Financial assets</b>			
<b>Equity investments - FVTOCI</b>			
Long term	9.2	172,114	164,243
<b>FVTPL</b>			
Short term	15	46,560	-
<b>Amortised cost</b>			
Receivables - considered good	12	68,041	40,060
Long term deposits		14,906	14,883
Advances - considered good		2,720	877
Short term investment	15	795,187	636,321
Cash and bank balances	16	83,008	154,359
		<u>1,010,422</u>	<u>846,500</u>
<b>Financial assets</b>		<u>1,182,536</u>	<u>1,010,743</u>
<b>Financial liabilities</b>			
<b>Amortised cost</b>			
Accrued and other payables	22	55,598	46,935
Unclaimed dividend	25	25,303	20,110
Advances and deposits		12,543	11,378
Deferred liabilities		25,783	19,439
<b>Financial liabilities</b>		<u>119,227</u>	<u>97,862</u>

**35.2 Fair values of financial assets and liabilities**

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS-9. The carrying amount of accounts receivables and payables are assumed to approximate their fair values.

### 35.3 Financial risk management objectives and policies

The Company is exposed to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Board of Directors of the Company has established the policies and procedures for Company's risk management. The Company does not engage in the trading of financial assets for speculative purposes. All treasury related transactions are carried out within the parameters of those policies.

#### 35.3.1 Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligation to the Company. It arises principally from the accounts receivable, advances, security deposits, accrued interest, short term investment and other receivables.

##### (a) Exposure to credit risk

The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, summarized as follow:

	<u>Carrying amount</u>	
	<u>2023</u>	<u>2022</u>
	----- (Rupees in '000) -----	
Receivables	68,041	40,060
Advances - considered good	2,720	877
Short term investment	795,187	636,321
Bank balances	82,980	154,358
	<u>948,928</u>	<u>831,616</u>

The maximum exposure to credit risk for financial assets at the reporting date by type of counter-party was:

	<u>Carrying amount</u>	
	<u>2023</u>	<u>2022</u>
	(Rupees in '000)	
Banks and financial institutions	82,980	154,358
Others	865,948	677,258
	<u>948,928</u>	<u>831,616</u>



**(b) Credit quality of financial assets**

The Company's management considers that all the above financial assets are not impaired and are of good credit quality. The management continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Receivables**

To manage exposure to credit risk in respect of accounts receivables management performs credit reviews taking into account the counter party's financial position, past experience and other factors. The aging of past due accounts receivables from companies at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Past due 0-50 days	68,041	-	40,060	-
Past due 51 days - 1 year	-	-	-	-
Past Dues 1 year to 2 years	1,255	1,255	1,255	1,255
	<u>69,295</u>	<u>1,255</u>	<u>41,315</u>	<u>1,255</u>

**Bank balances**

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings:

	Rating agency	Ratings		(Rupees in '000)
		Short term	Long term	
MCB Bank Limited	PACRA	A1+	AAA	43,380
Allied Bank Limited	PACRA	A1+	AAA	786
United bank Limited	JCR-VIS	A1+	AAA	25
Summit Bank Limited	JCR-VIS	A1	A-	22
Askari Bank Limited	PACRA	A1+	AA+	21
Bank Alfalah Limited	JCR-VIS	A1+	AA+	365
JS Bank Limited	PACRA	A1+	AA-	3,606
National Bank of Pakistan	PACRA	A1+	AAA	29,408
Meezan Bank Limited	JCR-VIS	A1+	AAA	5,332
Samba Bank Limited	JCR-VIS	A1	AA	35
				<u>82,980</u>

**(c) Equity price risk**

Equity price risk is the risk that the fair value of the equities changes as the result of changes in the level of equity indices and the value of individual stocks. The Company does not have exposure in listed equities as at June 30, 2023.

**35.3.2 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulties in releasing funds to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed condition, without incurring losses or risking damage to Company's reputation. Following are the contractual maturities of financial liabilities including interest payment excluding the impact of netting agreements:

	Maturity analysis of financial liabilities					
	Carrying amount	Contractual cash flows	6 Months or less	6-12 Months	1-2 years	2-5 years
(Rupees in '000)						
<b>Non-derivative financial liabilities</b>						
<b>2023</b>						
Deposits (Short term & long term)	34,777	(34,777)	(11,573)	-	-	(23,204)
Accrued and other liabilities	55,198	(55,198)	(55,198)	-	-	-
Deferred liabilities	25,783	(25,783)	-	-	-	(25,783)
Unclaimed dividend	25,303	(25,303)	(25,303)	-	-	-
	<u>141,061</u>	<u>(141,061)</u>	<u>(92,074)</u>	<u>-</u>	<u>-</u>	<u>(48,987)</u>
<b>Non-derivative financial liabilities</b>						
<b>2022</b>						
Deposits (Short Term & Long Term)	32,316	(32,316)	(10,408)	-	-	(21,908)
Accrued and other liabilities	46,505	(46,505)	(46,505)	-	-	-
Deferred liabilities	19,439	(19,439)	-	-	-	(19,439)
Unclaimed dividend	20,110	(20,110)	(20,110)	-	-	-
	<u>118,370</u>	<u>(118,370)</u>	<u>(77,023)</u>	<u>-</u>	<u>-</u>	<u>(41,347)</u>

### 35.3.3 Market risk

Market risk is the risk that the value of the future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

#### (a) Currency risk

The Company is exposed to currency risk on bank balance that are denominated in a currency other than the functional currency of the Company that is U.S Dollar. However, the Company is not exposed to material currency risk, therefore, no sensitivity analysis has been presented.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the changes in the market interest rates. Majority of the interest rate exposure arises from long term loan from bank, lease obligation and deposits in profit or loss sharing accounts with banks.

#### Profile

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:



	Effective interest rate		Carrying amount	
	2023	2022	2023	2022
	Interest rate	Interest rate	(Rupees in '000)	
<b>Variable rate instruments</b>				
<b>Financial assets</b>				
Bank balances	19.50%	12.25%	82,980	154,358

**(c) Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss.

**(d) Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss and fund balance 100 bps increase and 100 bps decrease			
	2023		2022	
	(Rupees in '000)			
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity -				
Variable rate instruments	830	(830)	1,544	(1,544)

**36. CAPITAL MANAGEMENT**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to maintain creditor and market confidence.

The Company monitors capital on the basis of the carrying amount of reserves as presented on the face of statement of financial position. There have been no changes to the Company's approach to the capital management during the current year.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, when necessary. In order to maintain or adjust the capital structure, the Company may sell assets to reduce debt and manage capital expenditures. The Company is not subject to externally imposed capital requirements.

Consistent with industry practice, the Company monitors the capital structure on the basis of gearing ratio. The ratio is calculated as borrowings divided by total capital employed.

Capital for the reporting periods under review is summarized as follows:

	2023	2022
	(Rupees in '000)	
Borrowings	-	-
Total capital	<u>7,533,991</u>	<u>6,411,600</u>
Gearing ratio	<u>0.00%</u>	<u>0.00%</u>

### 37. 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:

	2023	2022
	----- (Rupees in '000) -----	
<b>Related party transaction with Associates</b>		
<b>Associate companies (related parties by virtue of common directors ship)</b>		
<b>National Clearing Company of Pakistan Limited</b>		
Utility charges	3,058	3,303
Amount received against utility charges	(2,981)	(3,832)
Dividend received	22,734	50,664
Closing balance	307	231
<b>Pakistan Mercantile Exchange Limited</b>		
Utility charges	489	428
Rent	2,456	2,233
Amount received against utility charges	(479)	(500)
Closing balance	46	36
<b>Digital Custodian Company limited (DCCL)</b>		
Utility charges	-	522
Amount received from DCCL	-	(716)
<b>Related party transaction with Directors</b>		
Utility charges	3,554	5,400
Amount received from directors	(3,447)	(6,084)
Closing balance	346	239

### 38. COMPENSATION TO KEY MANAGEMENT PERSONNEL

The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executives (note 40)". There are no transactions with key management personnel other than under their terms of employment.

### 39 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arms length transactions.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS-9. The carrying amount of accounts receivables and payables are assumed to approximate their fair values.

#### Financial instruments

	June 30, 2023		June 30, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
------(Rupees in '000)-----				
<b>Assets carried at amortized cost</b>				
Receivables	68,041	68,041	40,060	40,060
Advances	2,720	2,720	877	877
Short term investments - T-bills	795,187	795,187	636,321	636,321
Cash and bank balances	83,008	83,008	154,359	154,359
Long term deposits	14,906	14,906	14,883	14,883
	<u>963,863</u>	<u>963,863</u>	<u>846,500</u>	<u>846,500</u>

#### Liabilities carried at amortized cost

Accrued and other payables	55,598	55,598	46,935	46,935
Advances and deposits	12,543	12,543	11,378	11,378
Unclaimed dividend	25,303	25,303	20,110	20,110
	<u>93,444</u>	<u>93,444</u>	<u>78,423</u>	<u>78,423</u>

As at June 30, 2023 and June 30, 2022 the Company held financial instruments carried at fair value which comprising long term investment. Moreover, Investment property and operating fixed assets are measured at fair value.

39.1 Investments of the Company carried at fair value are categorised as follows:

	As at June 30, 2023			Total
	Level 1	Level 2	Level 3	
------(Rupees in '000)-----				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	-	-	172,114	172,114
Financial assets at fair value through profit and loss	-	-	46,560	46,560



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

**Assets**

Financial assets at fair value through other comprehensive income

-	-	164,243	164,243
---	---	---------	---------

- 39.2 The investment property is valued on June 30, 2023 carried out by external independent valuer M/s Asif Associates (Private) Limited.

As at June 30, 2023			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			

**Assets**

Investment property carried at fair value

-	-	5,096,305	5,096,305
---	---	-----------	-----------

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

**Assets**

Investment property carried at fair value

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

**39.3 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

- 39.4 A reconciliation from opening balances to closing balances of fair value measurements categorised in level 3 is provided below:

	2023	2022
	----- (Rupees in '000) -----	
Opening balance (level 3 recurring fair values)	4,155,638	4,046,972
Fair value gain arised during the year	940,667	108,666
Closing balance (level 3 recurring fair values)	<u>5,096,305</u>	<u>4,155,638</u>

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

- 39.6 The Company has revalued its Leasehold land, buildings on June 30, 2023 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.

**Interest rate used for determining fair value**

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For

instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

#### **Fair value hierarchy**

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities

**Level 2:** input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change the occurred.

### **39.7 Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined of measurement and / or disclosure purposes based on the following methods.

#### **Investment in fair value through profit or loss**

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date.

#### **Investment in fair value through other comprehensive income**

The fair value of FVOCI investment is determined by reference to their quoted closing repurchase price at the reporting date, if available, and where applicable it is estimated as the present value of future cash flows, discounted current PKR rates applicable to similar instruments having similar maturities. Where quoted prices and estimated future prices are not available, fair value is determined through adjusted net assets valuation method.

#### **Non-derivative financial asset**

The fair value of non-derivate financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

#### **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### 40 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

	2023				2022			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	(Rupees in '000)							
Managerial remuneration	5,613	-	3,639	9,252	4,967	-	3,220	8,187
Fee	-	1,175	-	1,175	-	4,200	-	4,200
	<u>5,613</u>	<u>1,175</u>	<u>3,639</u>	<u>10,427</u>	<u>4,967</u>	<u>4,200</u>	<u>3,220</u>	<u>12,387</u>
Number of persons	<u>1</u>	<u>10</u>	<u>1</u>	<u>12</u>	<u>1</u>	<u>10</u>	<u>1</u>	<u>12</u>

40 The Chief Executive Officer and executives are also entitled to gratuity and leave fare assistance as retirement benefit.

40 Chairman of the Board of Directors and Chief Executive Officer is also provided with the Company maintained car.

#### 41 NUMBER OF EMPLOYEES

The Company has following number of employees as at June 30, 2023 and average during the year.

	No. of employees			
	As at June 30, 2023	As at June 30, 2022	Average 2023	Average 2022
Permanent	4	4	4	4
Contractual	19	20	20	22
	<u>23</u>	<u>24</u>	<u>24</u>	<u>26</u>

#### 42 CORRESPONDING FIGURES

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



#### 43 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

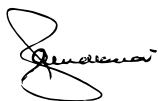
Subsequent to the year ended June 30, 2023, the Board of Directors have proposed final cash dividend for the year ended June 30, 2023 of Re. 0.93 per share, amounting to Rs. 341.484 million at their meeting held on September 28, 2023 for approval of the members at Annual General Meeting to be held on October 27, 2023.

#### 44 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 28, 2023 by the Board of Directors of the Company.

#### 45 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



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**CHAIRMAN**



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**CHIEF EXECUTIVE**

## Pattern of Shareholding

as at June 30, 2023

# Of Shareholders	Shareholdings' Slab			Total Shares Held
14	1	To	100	631
4	101	To	500	2,000
14	501	To	1000	11,695
17	1001	To	5000	56,338
7	5001	To	10000	46,266
8	10001	To	15000	100,164
2	15001	To	20000	31,381
1	20001	To	25000	22,000
1	25001	To	30000	26,023
2	30001	To	35000	66,103
1	35001	To	40000	39,456
1	75001	To	80000	76,361
1	100001	To	105000	104,654
1	195001	To	200000	200,000
1	295001	To	300000	298,188
2	320001	To	325000	644,027
1	410001	To	415000	413,841
1	485001	To	490000	487,428
1	685001	To	690000	687,000
1	765001	To	770000	767,399
1	970001	To	975000	975,000
1	1110001	To	1115000	1,113,840
1	1195001	To	1200000	1,200,000
40	1210001	To	1215000	48,550,635
2	1330001	To	1335000	2,666,668
1	1460001	to	1465000	1,463,841
46	1820001	to	1825000	83,755,052
1	1920001	to	1925000	1,920,763
1	2345001	to	2350000	2,347,603
1	2640001	to	2645000	2,644,762
1	2910001	to	2915000	2,914,238
1	2995001	to	3000000	3,000,000
27	3030001	to	3035000	81,933,781
1	3070001	to	3075000	3,070,772
1	3125001	to	3130000	3,128,080
1	6065001	to	6070000	6,069,206
1	6635001	to	6640000	6,639,206
1	6940001	to	6945000	6,940,024
1	7440001	to	7445000	7,440,470
1	12895001	to	12900000	12,897,623
1	16980001	to	16985000	16,982,648
1	30650001	to	30655000	30,651,853
1	34795001	to	34800000	34,799,943
<b>215</b>				<b>367,186,963</b>

## Pattern of Shareholding

as at June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
ZAHID LATIF KHAN	1	990	0.00
AAMER RIAZ	1	10	0.00
ADIL KHAN SWATI	1	7,940,024	2.16
FAROOQ ZAFAR	1	603	0.00
FARRUKH YOUNAS KHAN	1	3,070,772	0.84
FARZIN KHAN	1	5	0.00
MALIK QAMAR AFZAL	1	3	0.00
SARDAR AMAN KHAN	1	100	0.00
SHAUZAB ALI	1	3	0.00
SOHAIL ALTAF	1	6,639,206	1.81
<b>Associated Companies, undertakings and related parties</b>			
	2	3,033,603.00	0.83
<b>NIT and ICP</b>			
	1	1,213,841.00	0.33
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>			
	11	23,062,983.00	6.28
<b>Insurance Companies</b>			
	0	-	-
<b>Modarabas and Mutual Funds</b>			
	3	3,069,206.00	0.84
<b>General Public</b>			
a. Local	92	106,078,700.00	28.89
b. Foreign	-	-	-
<b>Foreign Companies</b>			
	-	-	-
<b>OTHERS</b>			
	96	213,076,914.00	58.03
	<b>Totals</b>	<b>215</b>	<b>367,186,963</b>
			<b>100.00</b>
<b>Share holders holding 10% or more</b>		<b>Shares Held</b>	<b>Percentage</b>

NIL



## Authorization Format

(On the letterhead of the Company)

The Secretary  
ISE Towers REIT Management Company Limited  
Islamabad.

### Sub: Authorization to Attend the AGM on Behalf of the Corporate Shareholder

Dear Sir,

Please be informed that Mr. \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_ holder of CNIC No. \_\_\_\_\_ has been duly authorized by the Board of Directors of our company vide resolution dated \_\_\_\_\_ to participate, deliberate and vote on resolutions included in the agenda of the notice of the 34th Annual General Meeting of the ISE Towers REIT Management Company Limited scheduled for October 27, 2023 or at any date adjourned/rescheduled thereof. Resolution of the Board dated \_\_\_\_\_ in original duly signed and stamped is attached herewith for reference and record.

Yours truly,

Yours truly,

\_\_\_\_\_  
Seal of the Company

\_\_\_\_\_  
Authorized Signatory

## Specimen Resolution

The following resolution has been passed by the Board of Directors of (Name of the Company) in its meeting held on \_\_\_\_\_.

Resolved that Mr. \_\_\_\_\_ s/o \_\_\_\_\_ r/o \_\_\_\_\_ be and is hereby authorized on behalf of the company to participate and vote for resolution included in the agenda of the notice of the 34th Annual General Meeting of ISE Towers REIT Management Company Limited scheduled for October 27, 2023 or at any date adjourned/rescheduled thereof.

Certified True Copy.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Seal of the Company



## Form of Proxy

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member(s) of ISE Towers REIT Management Company Limited, do hereby appoint Mr. \_\_\_\_\_ s/o \_\_\_\_\_ r/o of \_\_\_\_\_ as my/our proxy in our absence to attend and vote for me/us and on my/our behalf at 34th Annual General Meeting of the Company to be held on the 27th day of October, 2023 or at any adjournment thereof.

**Signature** over  
Revenue Stamp of  
Rs.5/-

### The Member:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Father's name: \_\_\_\_\_

Participant ID: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Witness 1: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

### The Proxy:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Father's name: \_\_\_\_\_

Participant ID: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Witness 2: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

### Important Notes:

1. The proxy must be a member of ISE Towers REIT Management Company Limited.
2. The proxy form be signed by the appointer or his attorney duly authorized in writing, or of the appointer is a body corporate, be under its seal or be signed by any officer or any attorney duly authorized by it in writing.
3. The instrument of proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of meeting.
4. If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments shall be rendered invalid.



