



**ISE TOWERS REIT MANAGEMENT COMPANY  
LIMITED**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED  
DECEMBER 31, 2022**

**BDO Ebrahim & Co. Chartered Accountants**

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

### Report on review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of ISE Towers REIT Management Company Limited (“the Company”) as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (herein after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity.” A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and financial reporting standards as applicable in Pakistan for interim financial reporting.

#### Other Matter

1. The figures for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



2. 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. Further, the condensed interim financial statements of the company for the six months period ended December 31, 2021 were reviewed by the same auditors whose report dated February 21, 2022 expressed an unmodified conclusion thereon.

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

ISLAMABAD

DATED: 22 MARCH 2023

UDIN: RR202210060fGL9SWzYK

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT DECEMBER 31, 2022**

	Note	(Un-audited) December 31, 2022 Rupees '000	(Audited) June 30, 2022 Rupees '000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	7	1,159,029	1,160,044
Intangible assets		2,079	2,262
Investment property	8	4,155,638	4,155,638
Long term investments	9	477,881	446,523
Long term security deposits and advances		15,288	14,883
Deferred taxation		50,665	49,829
		<u>5,860,580</u>	<u>5,829,179</u>
<b>CURRENT ASSETS</b>			
Receivables	10	51,542	40,060
Advances, deposits and prepayments	11	9,762	7,523
Tax refund due from government	12	-	1,593
Short term investments	13	590,715	636,321
Cash and bank balances	14	91,940	154,359
		<u>743,959</u>	<u>839,856</u>
<b>TOTAL ASSETS</b>		<u><u>6,604,539</u></u>	<u><u>6,669,035</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Share capital	15	3,671,870	3,671,870
Surplus on revaluation of property and equipment		412,123	416,066
Other reserves	16	2,295,471	2,323,664
		<u>6,379,464</u>	<u>6,411,600</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits		21,800	21,908
Deferred liabilities		21,864	19,439
		<u>43,664</u>	<u>41,347</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	17	59,138	53,387
Advances and deposits	18	81,122	142,591
Tax payable to government	19	16,899	-
Unclaimed dividend		24,252	20,110
		<u>181,411</u>	<u>216,088</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,604,539</u></u>	<u><u>6,669,035</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	Note	Six months ended December 31,		Three months ended December 31,	
		2022	2021	2022	2021
		Rupees '000	Rupees '000	Rupees '000	Rupees '000
<b>Income</b>					
Operating income	21	174,564	153,227	87,156	77,314
<b>Administrative expenses</b>					
Depreciation / amortization		(22,072)	(20,152)	(11,034)	(10,014)
Other administrative expenses	22	(22,616)	(19,496)	(12,684)	(11,164)
		(44,688)	(39,648)	(23,718)	(21,178)
Other operating income	23	85,452	51,423	43,999	28,342
Fair value gain on investments classified at FVTPL		2,805	-	2,805	-
Financial charges		(28)	(39)	(10)	(20)
<b>Operating profit</b>		<u>218,105</u>	<u>164,963</u>	<u>110,232</u>	<u>84,458</u>
Share of profits from associated companies		35,209	30,572	21,477	13,913
<b>Profit before taxation</b>		<u>253,314</u>	<u>195,535</u>	<u>131,709</u>	<u>98,371</u>
Taxation		(53,521)	(40,020)	(29,114)	(22,996)
<b>Profit after taxation</b>		<u>199,793</u>	<u>155,515</u>	<u>102,595</u>	<u>75,375</u>
<b>Earning per share - basic and diluted</b>	24	<u>0.54</u>	<u>0.42</u>	<u>0.28</u>	<u>0.21</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	Six months ended December 31,		Three months ended December 31,	
	2022	2021	2022	2021
	Rupees'000	Rupees'000	Rupees'000	Rupees'000
Profit after taxation	199,793	155,515	102,595	75,375
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to statement of profit or loss:</b>				
Surplus on remeasurement of FVOCI investments	6,743	5,935	774	(34)
<b>Total comprehensive income for the period</b>	<u>206,536</u>	<u>161,450</u>	<u>103,369</u>	<u>75,341</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	Capital reserve		Revenue reserves				Total		
	Issued, subscribed and paid up capital	Revaluation surplus on property and equipment	Reserve for replacement of fixed assets	Total capital reserves	Surplus on remeasurement of FVTOCI investments to fair value	Unrealized surplus on remeasurement of associate's investments		Unappropriated profit	Total revenue reserves
<b>Balance as at July 01, 2021 (Audited)</b>	3,671,870	369,294	66,997	436,291	92,389	426	1,958,176	2,050,991	6,159,152
<b>Total comprehensive income for the period:</b>									
Profit for the period after taxation	-	-	-	-	-	-	155,515	155,515	155,515
Amount collected for asset replacement reserve	-	-	25,725	25,725	-	-	(25,725)	(25,725)	-
Amount utilized from fixed assets replacement reserve	-	-	(3,277)	(3,277)	-	-	3,277	3,277	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(3,284)	-	(3,284)	-	-	3,284	3,284	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	5,935	-	-	5,935	5,935
<b>Transaction with owners</b>									
Final dividend for the year ended June 30, 2021 at Rs. 0.60 per share	-	-	-	-	-	-	(220,312)	(220,312)	(220,312)
<b>Balance as at December 31, 2021 (Un-audited)</b>	3,671,870	366,010	89,445	455,455	98,324	426	1,874,215	1,972,965	6,100,290
<b>Balance as at June 30, 2022</b>	3,671,870	416,066	111,776	527,842	112,324	426	2,097,493	2,210,243	6,409,955
Adjustment for derecognition of subsidiary	-	-	-	-	-	-	1,645	1,645	1,645
<b>Balance as at July 01, 2022 (Audited)</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 period:</b>									
Profit for the period after taxation	-	-	-	-	-	-	199,793	199,793	199,793
Amount collected for asset replacement reserve	-	-	25,607	25,607	-	-	(25,607)	(25,607)	-
Amount utilized from fixed assets replacement reserve	-	-	(1,402)	(1,402)	-	-	1,402	1,402	-
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(3,943)	-	(3,943)	-	-	3,943	3,943	-
Surplus on remeasurement of FVTOCI investment	-	-	-	-	6,743	-	-	6,743	6,743
<b>Transaction with owners</b>									
Final dividend for the year ended June 30, 2022 at Rs. 0.65 per share	-	-	-	-	-	-	(238,672)	(238,672)	(238,672)
<b>Balance as at December 31, 2022 (Un-audited)</b>	3,671,870	412,123	135,981	548,104	119,067	426	2,039,997	2,159,490	6,379,464

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

		Six months ended December 31, 2022	Six months ended December 31, 2021
	Note	Rupees '000	Rupees '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	25	110,225	113,179
Income tax paid		(35,866)	(27,013)
Net cash generated from operating activities		74,359	86,166
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(21,280)	(3,688)
Interest received		59,836	23,046
Investment encashed during the period - net		39,592	82,703
Dividend received		19,740	38,830
Net cash generated from investing activities		97,888	140,891
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Advances, deposits and other receipts		(108)	436
Dividend paid		(234,530)	(217,578)
Financial charges paid		(28)	(39)
Net cash used in financing activities		(234,666)	(217,181)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		(62,419)	9,876
Cash and cash equivalents at beginning of the period		154,359	64,320
Cash and cash equivalents at end of the period		91,940	74,196

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE OFFICER**



**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

**1 CORPORATE AND GENERAL INFORMATION**

- 1.1 ISE Towers REIT Management Company Limited ("the Company") was incorporated in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 replaced with the enactment of the Companies Act, 2017 on May 30, 2017, as a company limited by guarantee for the purpose of carrying out business of stock exchange under the name Islamabad Stock Exchange (ISE). On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act), was converted into a public company limited by shares on issuance of certificate of re-registration by the Registrar of Companies.
- 1.2 ISE entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE) with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Accordingly the ISE proposed a scheme of integration in its AGM on October 27, 2015 to shift the stock exchange related business, the core business of the ISE, to PSX and change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP). Accordingly, the agreed assets / liabilities of stock exchange business transferred to PSX with effect from January 11, 2016.
- 1.3 SECP approved the scheme of integration under Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 through its order number 01/2016 dated January 11, 2016. As a consequence of this approval of integration, the name and scope of the ISE was changed. The new name of the Company is "ISE Towers REIT Management Company Limited".
- 1.4 On January 11, 2016, ISE changed its name and scope of business and got converted from Stock Exchange to a REIT Management Company under the repealed Companies Ordinance, 1984, as a consequence of Securities and Exchange Commission of Pakistan's approval of scheme of integration under the Act. The Company 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.
- 1.5 The principal activities of the Company is to launch and manage Real Estate Investment Trust (REIT) under REIT Regulations, 2022.

The geographical location and address of the Company's business unit is as under:

- The registered business unit of the Company is situated in ISE Tower, 55-B, Jinnah Avenue, Islamabad.

- 1.6 These are the condensed interim financial statements.

**2 BASIS OF PREPARATION**

**Statement of compliance**

These condensed interim financial statements of the company for the six month ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34: 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3 ACCOUNTING POLICIES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022.

These interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2022. Comparative condensed interim statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 and comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the six months ended December 31, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2022. The carrying amounts of financial assets and financial liabilities are estimated to their approximate fair values as of December 31, 2022.

### 4 FUNCTIONAL AND PRESENTATION CURRENCY

These interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

### 5 TAXATION

The provision for taxation for the six months ended December 31, 2022 has been made using the effective tax rate applicable as per Income Tax Ordinance, 2001.

### 6 KEY JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

### 7 PROPERTY AND EQUIPMENT

		(Un-audited) December 31, 2022 Rupees '000	(Audited) June 30, 2022 Rupees '000
	Note		
Operating assets	7.1	1,141,970	1,158,804
Capital work in progress	7.2	17,059	1,240
		1,159,029	1,160,044

## OPERATING ASSETS

Description	Leasehold land	Building on leasehold land	Electrical Equipment	HVAC Equipment	Plumbing Installations	Elevators	Security equipment	IT equipment	Security systems	Furniture and fixture	Office equipment	Vehicles	Computers & accessories	Total
<b>Net carrying value basis</b>														
<b>Period ended December 31, 2022</b>														
Opening net book value (NBV)	663,601	369,948	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804
Additions (at cost)	-	-	-	-	-	-	1,402	-	-	821	546	-	-	2,769
Transfer from CWIP	-	-	732	-	-	-	-	-	-	861	280	-	414	2,287
Depreciation charge	(4,309)	(6,725)	(689)	(496)	-	(6,521)	(1,087)	(21)	(612)	(346)	(170)	(728)	(186)	(21,890)
Net book value - (Un-audited)	659,292	363,223	8,465	3,252	-	89,032	7,108	38	829	3,843	2,301	4,157	430	1,141,970
<b>Gross carrying value basis</b>														
<b>Period ended December 31, 2022</b>														
Cost/revalued amount	663,601	369,948	75,711	156,685	5,521	130,464	17,901	12,027	7,325	8,968	4,343	7,281	4,066	1,463,841
Accumulated depreciation	(4,309)	(6,725)	(67,246)	(153,433)	(5,521)	(41,432)	(10,793)	(11,989)	(6,496)	(5,125)	(2,042)	(3,124)	(3,636)	(321,871)
Net book value - (Un-audited)	659,292	363,223	8,465	3,252	-	89,032	7,108	38	829	3,843	2,301	4,157	430	1,141,970
<b>Net carrying value basis</b>														
<b>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	3,169	1,610	2,316	385	1,115,716
Additions (at cost)	-	-	2,227	-	-	-	1,146	-	353	-	310	3,402	119	7,557
Transfers from CWIP	-	-	2,754	-	-	-	1,879	-	479	-	-	-	-	5,112
Assets written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(8)	-	-	-	-	(91)	-	(193)	(86)	-	(151)	(529)
Accumulated depreciation	-	-	8	-	-	-	-	91	-	127	83	-	151	460
Revaluation adjustment for the year	-	-	-	-	-	-	-	-	-	(66)	(3)	-	-	(69)
Depreciation charge	16,696	53,958	-	-	-	-	-	-	-	-	-	-	-	70,654
Net book value - (Audited)	(8,401)	(11,483)	(1,011)	(993)	-	(13,042)	(1,975)	(56)	(1,202)	(596)	(272)	(833)	(302)	(40,166)
663,601	369,948	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	202	1,158,804
99 years	2.5%	10%	10%	10%	10%	10%	20%	33%	10%	10%	10%	20%	33%	33%
<b>Gross carrying value basis</b>														
<b>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	53,958	-	-	-	-	-	-	-	-	-	-	-	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 - (Audited)	663,601	369,948	8,422	3,748	-	95,553	6,793	59	1,441	2,507	1,645	4,885	202	1,158,804

## 7.2 Capital work in progress-CWIP

Description	(Audited) Balance as on July 01, 2022	Additions	Transfer to operating assets	(Un-audited) Balance as on December 31, 2022
	Rupees '000			
Office renovation	736	125	861	-
Electrical equipment	-	732	732	-
HVAC equipment	-	1,098	-	1,098
Security equipment	-	2,784	-	2,784
Life Safety System	504	12,536	-	13,040
Office equipment	-	280	280	-
Computers & accessories	-	414	414	-
Security systems	-	137	-	137
Grand total	1,240	18,106	2,287	17,059

## 8 INVESTMENT PROPERTY

This represents office spaces in ISE Towers held to earn rentals and for capital appreciation. The carrying value of investment property is the fair value of the property based on the valuation carried by approved independent valuer Asif Associates (Private) Limited on June 30, 2022. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition. There has been no significant change in valuation during the period.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees '000	Rupees '000
<b>9 LONG TERM INVESTMENTS</b>			
Long term investments-under equity method	9.1	306,895	282,280
Long term investments-FVTOCI	9.2	170,986	164,243
		<u>477,881</u>	<u>446,523</u>

### 9.1 Long term investments-under equity method

National Clearing Company of Pakistan Limited (NCCPL)		252,216	248,492
Pakistan Mercantile Exchange Limited (PMEX)		38,190	22,195
Digital Custodian Company Limited (DCCL)		16,489	11,593
	9.1.1	<u>306,895</u>	<u>282,280</u>

9.1.1 The balances of long term investments-under equity method in NCCPL, PMEX and DCCL have been presented based on management accounts for the half year ended December 31, 2022.

	Note	(Un-audited) December 31, 2022 Rupees'000	(Audited) June 30, 2022 Rupees'000
<b>9.2 Long term investments- FVTOCI</b>			
Central Depository Company of Pakistan Limited (CDC)	9.3.1	161,636	154,854
VIS Credit Rating Company Limited (VIS)	9.3.2	9,350	9,389
	9.3.3	<u>170,986</u>	<u>164,243</u>
<b>9.3.1 Central Depository Company of Pakistan Limited (CDC)</b>			
Investment - at cost		47,163	47,163
Fair value adjustment		114,473	107,691
		<u>161,636</u>	<u>154,854</u>
<b>9.3.2 VIS Credit Rating Company Limited (VIS)</b>			
Investment - at cost		4,756	4,756
Fair value adjustment		4,594	4,633
		<u>9,350</u>	<u>9,389</u>

9.3.3 The balances of long term investments have been presented based on management accounts for half year ended December 31, 2022.

	Note	(Un-audited) December 31, 2022 Rupees '000	(Audited) June 30, 2022 Rupees '000
<b>10 RECEIVABLES</b>			
<b>Considered good</b>			
Rent receivable		1,527	110
Receivable from building occupants	10.1	35,083	27,840
Receivable from REIT scheme		11,396	8,940
Due from sub lessee	10.2	500	500
Others		3,036	2,670
		<u>51,542</u>	<u>40,060</u>
Considered doubtful based on expected credit loss (ECL)		1,255	1,255
		<u>52,797</u>	<u>41,315</u>
Allowance for expected credit losses		(1,255)	(1,255)
		<u>51,542</u>	<u>40,060</u>

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

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

		<b>(Un-audited)</b> <b>December 31,</b> <b>2022</b>	<b>(Audited)</b> <b>June 30,</b> <b>2022</b>
	<b>Note</b>	<b>Rupees '000</b>	<b>Rupees '000</b>
<b>11</b>	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
	<b>Considered Good</b>		
	Advances to staff	1,221	877
	Advances to contractors	4,600	3,895
	Deposits and prepayments	3,941	2,751
	Considered doubtful based on expected credit loss (ECL)	225	225
		<u>9,987</u>	<u>7,748</u>
	Allowance for expected credit loss (ECL)	(225)	(225)
		<u>9,762</u>	<u>7,523</u>
<b>12</b>	<b>TAX REFUND DUE FROM GOVERNMENT</b>		
	Income tax - opening	1,593	27,555
	Advance - Income tax paid during the period/year	-	73,454
		<u>1,593</u>	<u>101,009</u>
	Provision for taxation for the period /year	-	(99,416)
	Transferred to tax payable to Government	19 (1,593)	-
	Income tax - closing	-	1,593
		<u>-</u>	<u>1,593</u>
<b>13</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>Investment held at FVTPL</b>		
	Investment in Mutual funds	13.1 340,945	-
	<b>Investment held at amortized cost</b>		
	Treasury Bills	13.2 249,770	636,321
		<u>590,715</u>	<u>636,321</u>
<b>13.1</b>	<b>Investment in Mutual funds</b>		
	Amount invested during the period	13.3 335,000	-
	Dividend reinvested during the period	3,140	-
	Unrealized gain on fair value investments	2,805	-
		<u>340,945</u>	<u>-</u>
13.2	This represents investment in treasury bills (T-Bills) having maturity between January 26, 2022 to February 09, 2022 and carries yield rate of 15.69% per annum (June 30, 2022: 14.19% to 15.11%).		
13.3	This represent amount of Rs. 145 million invested in ABL cash fund and Rs. 190 million invested in MCB cash fund.		

	Note	(Un-audited) December 31, 2022 Rupees '000	(Audited) June 30, 2022 Rupees '000
<b>14 CASH AND BANK BALANCES</b>			
Cash at banks			
Saving accounts			
- Local currency	14.1	91,362	153,893
- Foreign currency (USD)		508	465
		<u>91,870</u>	<u>154,358</u>
Cash in hand		70	1
		<u>91,940</u>	<u>154,359</u>

14.1 Balances in saving accounts carry effective interest rate of 15.50% (June 30, 2022: 12.25%) per annum.

## 15 SHARE CAPITAL

### 15.1 Authorized share capital

Authorized share capital represents 700,000,000 (June 30, 2022: 700,000,000) ordinary shares of Rs. 10 each amounting to Rs. 7,000,000,000 (June 30, 2022: Rs. 7,000,000,000).

### 15.2 Issued, subscribed and paid up capital:

Number of ordinary shares of Rs.10/-each		Ordinary shares issued for consideration other than cash.	(Un-audited)	(Audited)
December 31, 2022	June 30, 2022		December 31, 2022 Rupees '000	June 30, 2022 Rupees '000
<u>367,186,963</u>	<u>367,186,963</u>		<u>3,671,870</u>	<u>3,671,870</u>

## 16 OTHER RESERVES

Capital reserve			
- Fixed asset replacement reserve	16.1	135,981	111,776
Revenue reserves		2,159,490	2,210,243
Derecognition of subsidiary on loss of control		-	1,645
		<u>2,295,471</u>	<u>2,323,664</u>

### 16.1 Reserve for replacement of fixed assets

This represents the reserve created for replacement of fixed assets or any part thereof, relating to ISE Towers. Contribution to the reserve is made at a fixed rate by the tenants/occupants. The Company also set aside/contribute equivalent amount to this reserve from its accumulated profits.

		<b>(Un-audited)</b> <b>December 31,</b> <b>2022</b>	<b>(Audited)</b> <b>June 30,</b> <b>2022</b>
	<b>Note</b>	<b>Rupees '000</b>	<b>Rupees '000</b>
<b>17 ACCRUED AND OTHER PAYABLES</b>			
Payable on account of security brokers in default		23,472	18,006
Payable to sub lessees		11,375	11,375
Accrued liabilities		14,224	14,175
Corporate social responsibility	17.1	6,435	6,452
Other payables		3,632	3,379
		59,138	53,387

17.1 During the period, a contribution of Rs. 500,000 has been made to the CSR fund. Moreover, an amount of Rs. 516,532 has been utilized out of this fund as scholarship to eligible students.

## 18 ADVANCES AND DEPOSITS

Advance rent		69,744	131,213
Deposit from security brokers against exposure and clearing house		970	970
Retention money & security deposits		10,408	10,408
		81,122	142,591

## 19 TAX PAYABLE TO GOVERNMENT

Income tax - opening		-	-
Transferred from tax refund from government	12	(1,593)	-
Provision for taxation for the period /year		54,358	-
		52,765	-
Advance - Income tax paid during the period/year		(35,866)	-
Income tax - closing		16,899	-

## 20 CONTINGENCIES AND COMMITMENTS

### 20.1 Contingencies

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

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

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

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



c) **Tax contingencies**

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

20.2 **Commitments**

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

	Six months ended		Three months ended	
	December 31,		December 31,	
	2022	2021	2022	2021
Note	Rupees '000	Rupees '000	Rupees '000	Rupees '000
<b>21 OPERATING INCOME</b>				
Rental income from investment property	170,499	148,526	85,132	74,964
Other rentals	4,065	4,701	2,024	2,350
	<u>174,564</u>	<u>153,227</u>	<u>87,156</u>	<u>77,314</u>
<b>22 OTHER ADMINISTRATIVE EXPENSES</b>				
Salaries and benefits	8,069	6,542	4,069	3,278
Directors' meeting fee	700	1,900	450	1,900
Travelling and lodging	490	266	253	147
Postage, telephone and fax	256	292	151	146
Printing and stationery	949	845	782	422
News papers, books and periodicals	32	36	16	22
Publicity and advertisements	-	16	-	8
Rent, rates and taxes	3,393	2,044	2,410	1,030
Legal and professional charges	2,625	1,795	1,377	1,067
Auditors' remuneration	204	178	204	178
Contract services	168	273	111	127
Repairs and maintenance	174	172	135	73
Meetings and entertainment	736	594	393	348
MIS / technology charges	357	262	194	153
Electricity, gas and water	2,090	1,786	828	787
Insurance	1,233	1,247	587	619
Real estate agent fee	431	470	328	470
Corporate social responsibility	500	500	250	250
Miscellaneous	209	278	146	139
	<u>22,616</u>	<u>19,496</u>	<u>12,684</u>	<u>11,164</u>
<b>23 OTHER OPERATING INCOME</b>				
<b>Income from financial assets:</b>				
Profit on bank deposits & investment	53,778	23,601	23,694	11,799
Exchange gain/(loss)	44	41	(9)	13
Dividend received	5,450	5,963	5,450	5,963
Dividend from mutual funds	3,694	-	3,694	-
<b>Income from non financial assets:</b>				
Room transfer fee	-	1,008	-	201
Income from branding	543	447	272	223
Asset service charges from tenants/occupants	12,804	12,863	6,395	6,482
Others	23.1 9,139	7,500	4,503	3,661
	<u>85,452</u>	<u>51,423</u>	<u>43,999</u>	<u>28,342</u>

23.1 This includes car parking fee amounting to Rs. 4.990 million and split unit charges amounting Rs. 1.742 million

**24 EARNING PER SHARE -BASIC AND DILUTED**

Profit after tax (Rupees)	199,793,000	155,515,000	102,595,000	75,375,000
Weighted average number of ordinary shares (Number)	367,186,963	367,186,963	367,186,963	367,186,963
Basic and diluted earning per share (Rupee)	0.54	0.42	0.28	0.21

**25 CASH GENERATED FROM OPERATIONS**

	Note	(Un-audited) December 31, 2022 Rupees'000	(Un-audited) December 31, 2021 Rupees'000
Profit before taxation		253,314	195,535
<i>Adjustment for non-cash charges and other items:</i>			
Depreciation/amortization		22,072	20,152
Profit on bank deposits & investments		(53,778)	(23,601)
Exchange gain		(44)	(41)
Dividend income		(9,144)	(5,963)
Share of profits from associated companies		(35,209)	(30,572)
Provision for gratuity		1,988	1,353
Provision for compensated absences		437	473
Financial charges		28	39
Working capital changes	25.1	(69,439)	(44,196)
		<u>110,225</u>	<u>113,179</u>

**25.1 Changes in working capital**

**Decrease / (increase) in current assets**

Receivables	(11,482)	9,417
Advances, deposits and prepayments including long term advance	(2,239)	(4,352)

**Increase / (decrease) in current liabilities**

Accrued and other payables	5,751	(5,440)
Advances and deposits	(61,469)	(43,821)
	<u>(69,439)</u>	<u>(44,196)</u>

**26 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:

	(Un-audited) December 31, 2022 Rupees '000	(Un-audited) December 31, 2021 Rupees '000
<b>Transactions with associates</b>		
<b>Associate companies (related parties by virtue of common directorship)</b>		
<b>National Clearing Company of Pakistan Limited</b>		
Utility charges	1,530	1,540
Amount received against utility charges	1,547	1,303

	(Un-audited) December 31, 2022 Rupees'000	(Un-audited) December 31, 2021 Rupees'000
<b>Pakistan Mercantile Exchange Limited (PMEX)</b>		
Utility charges	248	193
Amount received against utility charges	244	155
<b>Digital Custodian Company Limited</b>		
Utility/ rent charges	-	612
Amount received against utility/ rent charges	-	575
<b>Transactions with directors</b>		
Utility charges	2,474	2,335
Amount received against utility charges	2,306	1,967

#### 26.1 Remuneration of chief executive officer, executives and directors

	December 31,		December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
	Directors		Chief Executive Officer		Executives		Total	
	(Rupees in '000)							
Managerial remuneration	-	-	2,807	2,218	1,819	1,464	4,626	3,682
Meeting fees	700	1,900	-	-	-	-	700	1,900
	700	1,900	2,807	2,218	1,819	1,464	5,326	5,582
Number of persons	10	10	1	1	1	1	12	12

#### 27 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

**Level 1 :** Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

**Level 2 :** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3 :** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair values of all the financial assets and liabilities at the reporting date approximate to their carrying value.

##### Transfers during the period

During the six month period ended December 31, 2022, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2022 and June 30, 2022 the Company held financial instruments carried at fair value which comprise of long term investment - FVTOCI and short term investment in mutual funds - FVTPL. Moreover,

27.1 Investments of the Company carried at fair value are categorized as follows:

Assets	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through profit and loss	-	-	340,945	340,945
Financial assets at fair value through Other comprehensive income	-	-	170,986	170,986

Assets	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets at fair value through Other comprehensive income	-	-	164,243	164,243

27.2 The investment property was valued on June 30, 2022 carried out by external independent valuer M/s Asif Associates (Private) Limited.

Assets	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investment in property carried at fair value	-	-	4,155,638	4,155,638

Assets	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investment in property carried at fair value	-	-	4,155,638	4,155,638

**27.3 Valuation techniques used to derive level 3 fair values - Investment in property**

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Cost of construction
- Quality of maintenance
- Physical condition
- Market price analysis

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

	(Un-audited) December 31, 2022 Rupees '000	(Audited) June 30, 2022 Rupees '000
Opening balance (level 3 recurring fair values)	4,155,638	4,046,972
Fair value gain raised during the period/year	-	108,666
Closing balance (level 3 recurring fair values)	4,155,638	4,155,638

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

The Company has revalued its leasehold land, buildings on June 30, 2022 by independent valuer M/s Asif Associates (Private) Limited on the basis of market value. The fair value of free hold land and buildings is a level 3 recurring fair value measurement.

**28 NUMBER OF EMPLOYEES**

Average number of employees at the half year ended was 23 (2022: 24).

**29 CORRESPONDING FIGURES**

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


**30 DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on 22 MAR 2023.

**31 GENERAL**

Figures have been rounded off to the nearest thousand rupee.

  
CHAIRMAN

  
CHIEF EXECUTIVE OFFICER