



**ISE TOWERS REIT**  
MANAGEMENT COMPANY LIMITED

**ANNUAL** 20  
**REPORT** 22

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**GROWTH**



**ISE TOWERS REIT**  
MANAGEMENT COMPANY LIMITED

**ANNUAL** 20  
**REPORT** 22

ISE Towers REIT Management  
Company Limited.

(Formerly Islamabad Stock Exchange Limited)

**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

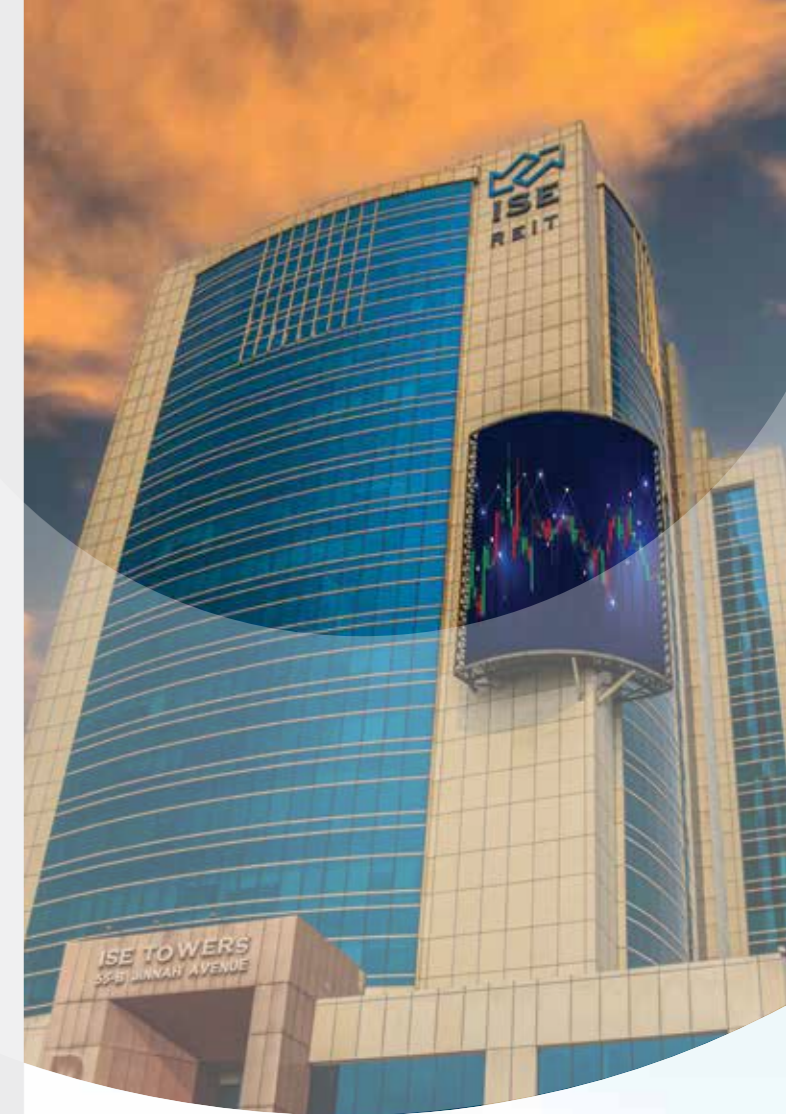
- To achieve excellence in quality and service being provided to users of ISE REIT properties.
- To continuously improve and embrace latest technology and systems for providing a modern work space.
- To provide best value in returns with long term sustainability to our shareholders and investors.
- To 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.



GROWTH



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# COMPANY INFORMATION



DRIVING WITH GROWTH

# BOARD OF DIRECTORS



**Mr. Zahid Latif Khan**, *Chairman - Non Executive Director*  
**Mr. Sagheer Mushtaq**, *Chief Executive Officer*  
**Mr. Aamer Riaz**, *Independent Director*  
**Mr. Adil Khan Swati**, *Non Executive Director*  
**Mr. Farooq Zafar**, *Non Executive Director (Not in picture)*  
**Mr. Farrukh Younas Khan**, *Non Executive Director*  
**Ms. Farzin Khan**, *Independent Director*  
**Malik Qamar Afzal**, *Independent Director*  
**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

**Yousaf Adil**, Chartered Accountants

## Legal Advisors

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

## Share Registrar:

**Central Depository Company of Pakistan 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*

- Chairman ISE Tower REIT Management Company Limited. [ Formerly Islamabad Stock Exchange]
- Chairman LSE Financial Services Limited. [Formerly Lahore Stock Exchange]
- Chairman/CEO Zahid Latif Khan Securities (Pvt) Limited.
- Director Pakistan Mercantile Exchange Limited
- Director National Clearing Company of Pakistan
- Director NCEL Building Management Co Limited,
- Vice Chairman Pakistan Stock Brokers Association
- Former President Rawalpindi Chamber of Commerce and Industry,
- Director Digital Custodian Company Limited.
- Chairman, Asian Institute of Eco-civilization Research and Development

**Zahid Latif Khan** is the Chairman of ISE Towers REIT Management Company Limited and also the Chairman of LSE Financial Services Limited. He has already served as Chairman of the Board of the Company during 2016-19 and 2019-22 terms. He is also the Chairman and Chief Executive Officer of Zahid Latif Khan Securities (Pvt) Limited; a leading corporate brokerage house of Pakistan Stock Exchange, having the largest network of branches in Islamabad and in the North of Pakistan. Besides running a corporate brokerage entity, Mr. Zahid is currently serving as Board member of other capital market institutions including Pakistan Mercantile Exchange Limited, National Clearing Company of Pakistan (NCCPL) and NCEL Building Management Limited. Mr. Khan is the Vice chairman of Pakistan Stock Brokers Association (PSBA), Director Metropolitan Solutions Pvt. Ltd., Managing Partner ZLK Entourage and Director OPAL-BPO Pvt. Ltd. He has been the President of Rawalpindi Chamber of Commerce & Industries (RCCI) during the term 2017-18. He remained very instrumental in this capacity to help resolve the issues relating to the business community.

Mr. Zahid has played very effective role on the Boards of capital market institutions. He has been quite instrumental in implementation of modern corporate governance standards and advancing the idea of corporate social responsibility. In addition

to his regular contributions at the Board level for policies framing, Mr. Zahid has the distinction of playing key role in the establishment of Unified Trading Platform between Lahore & Islamabad Stock Exchanges, and operational launch of the Pakistan Mercantile Exchange, both of which are considered to be the landmark initiatives at the capital market landscape of the country.

The most prominent and landmark initiative taken by him has resulted in the integration of securities market of Pakistan. He has played very effective role towards creation of Pakistan Stock Exchange which has emerged after integration of stock exchanges of Karachi, Lahore and Islamabad. This measure has done away the market fragmentation and as a result the concept of one country, one exchange and one price has flourished. In addition to his valuable contributions in the corporate sector, Mr. Zahid Latif Khan has also played very dynamic role in the service of business/community. Mr. Zahid has a diversified experience of the stock brokerage business spanning over a period of twenty-five years. During his association with the securities industry, Mr. Zahid has achieved extensive hands-on familiarity with multifaceted operational aspects such as Initial Public Offerings, Book Buildings, Risk Management Operations, Buy Back Pricing Models, Customer Account Relationships, Order Executions and Clearing &

## BOARD OF DIRECTORS

Settlement functions, etc. As the Chairman & CEO of his securities firm, Mr. Zahid has expanded the network of retail brokerage outlets which has seen remarkable growth in the business of his firm besides promoting the culture of stock investments amongst the smaller investors.

Academically, Mr. Zahid holds Bachelor's degree in Science and a graduate of National Security Workshop organized by National Defense University. He is also a certified director from Institute of Cost and Management Accountants of Pakistan (ICMA).

Mr. Khan has been actively engaged in imparting awareness about stock market & financial literacy to the masses. His vision to increase the overall participation of a much larger number of public in Pakistan's Equities Market has been rewarding and his efforts now uncapping youthful audience. Mr. Khan's idea to spur financial inclusion to make access available to far useful and affordable financial products has led him and his securities' firm sign MoUs with universities for exchange of learning resources and bridging the industry and academia. Recently Mr. Khan has been appointed as

Chairman, Asian Institute of Eco-civilization Research and Development (AIERD), with the vision to generate the discourse about the emerging Asia, China, Eco-civilization and changing global dynamics by creating the quality knowledge, constructive engagement and pro-active advocacy for better and refined policy framework.

He had been the convener of Central Committee for Foreign Affairs of Federation of Pakistan Chambers of Commerce and Industry whereby he is quite instrumental in the promotion of bilateral economic and trade ties with the international community. He is a key influential stakeholder in Asian, Central Asian Republics and regional economic corridors with his vision to highlight Pakistan's Geostrategic position & carried several delegations abroad to expand bilateral trade ties and has very close and cordial ties with the diplomatic community in Pakistan.

Recently Mr. Khan has been nominated as the Honorary Coordinator (Business Liaison) to Federal Tax Ombudsman (FTO) Secretariat.

## 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. Subsequently, he was also assigned the role of Chief Financial Officer of the Company. 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 fifteen 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.



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

*Independent Director*

**Lt. Gen. Aamer Riaz (Retd)** Hilal-e-Imtiaz (Military) has unique experience of being the patron of two Defense Housing Authorities in Pakistan, namely DHA Lahore and DHA Quetta. The General Officer has the distinction of being the President of DHA Quetta during its nascent stage when the idea of a separate housing society for the major city of Balochistan was conceived. He also intended to make it one of the best housing destinations on the key route of CPEC, which would have led to increased industrialization in the province due to the availability of upscale housing facility for the relocation of national and foreign talent in the area. In his time as President Lahore DHA, first REIT based project "Dolmen mall" was also conceived.

In terms of the leadership and management experience, he has been the Commander of the Southern Command in Quetta and also headed the Corps formation in Lahore. He has also been the President of National Defence University where he expanded the education and faculty opportunities to include national economic security of the country.

He was commissioned in a Distinguished Battalion of Frontier Force Regiment in 1984 and retired from Pakistan Armed Forces in 2019. His varied Command, Staff and instructional experience includes Brigade Major of Independent Mechanized Brigade Group, Commanding Officer of Frontier Force Regiment, Chief of Staff, Commander Independent Infantry Brigade Group, General Officer Commanding of Division and Commander of two different Corps. Currently, he is the President of Euro Oil (Pvt.) Ltd., a Lahore based OMC and a member board of governors of a newly established National University of Security Sciences.

In terms of education, the General is graduate of Command and Staff College, Quetta and National Defense University, Islamabad. He holds the Master Degree in War Studies from Quaid-e-Azam University, Islamabad and Diploma in Defense and Strategic Studies from University of Malaya of Malaysia.

## 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, a corporate TREC holder of the Pakistan Stock Exchange 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. 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 twenty-nine 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 2002-2023. 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 National Consultant – Anti Corruption & Justice Coordinator at United Nations Office on Drugs & Crime (UNODC) Pakistan. Previously, she has served as Deputy Chief of Project for USAID's Financial Market Development (FMD) Project. In her 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, a listed company 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 career 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 sixteen years and has a thirteen-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 35 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.

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.

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

## 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 Mountain

Vista (Pvt.) Limited and 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, non-banking 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 term. 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 Nayer Ashfaq**

*Senior Manager  
Operations & Admin*

**Syed Nayer Ashfaq** has been associated with ISE Towers REIT Management Company Limited (Formerly Islamabad Stock Exchange Limited) from 1992-2001 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



GROWTH

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of ISE Towers REIT Management Company Limited (the Company) will be held on November 21, 2022 at 03:30p.m. at the registered office of the Company, ISE Towers Auditorium, 55-B, Jinnah Avenue, Islamabad to transact the following business:

- 1) To confirm the minutes of 36th Extraordinary General Meeting of the Company held on February 02, 2022.
- 2) To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' reports thereon.
- 3) To consider and approve the final cash dividend at the rate of Re. 0.65 per share i.e. (6.5%) for the year ended June 30, 2022, as recommended by the Board of Directors.
- 4) To appoint Auditors of the Company for the year ending June 30, 2023 and to fix their remuneration.

By order of the Board



**Zeeshan Shafique**  
Company Secretary/CFO

Islamabad: October 31, 2022

## NOTES:

### 1. CLOSURE OF SHARE TRANSFER BOOKS:

- a) The Share Transfer Books of the Company will remain closed from November 14, 2022 to November 21, 2022 (both days inclusive). Transfers 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 Shahr-e-Faisal, Karachi, by the close of business on November 12, 2022 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, on or before 03:30p.m. November 18, 2022.
- 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

## NOTICE OF ANNUAL GENERAL MEETING

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.

### 4. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

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. Members desiring non-deduction of zakat are also 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.

### 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

## NOTICE OF ANNUAL GENERAL MEETING

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 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, 2022 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:

## NOTICE OF ANNUAL GENERAL MEETING

### 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)

- 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.

# CHAIRMAN'S REVIEW

## Dear Members

I am pleased to report another successful year of good performance by the Company. The Company's performance is backed by Board's expeditious support and guidance to the management.

The Board of Directors, in view of the continued growth of the Company has recommended highest ever cash dividend of Re.0.65 per share this year which is 8% higher than the previous year. The financial position of the Company also stood on strong footing with debt free to ample liquidity.

The Company achieved significant progress for launch of ISE Towers REIT Scheme. Consequent upon approval of the general body for launch of REIT Scheme, the Company has submitted requisite documentation to Securities and Exchange Commission of Pakistan for its approval. Besides, the Company has also been exploring different avenues for launch of other REIT Schemes.

In order for level playing field for the REIT Sector, the Company had been submitting proposals to the Government Institutions including Federal Board of Revenue, Securities and Exchange Commission of Pakistan and State Bank of Pakistan, suggesting the measures for growth of this sector. During this financial year, SECP introduced number of pro-REIT amendments and second round of amendments is also under process to provide ease of business to this sector. Federal Board of Revenue also rationalized the tax laws thereby bringing taxation of REIT Sector at par with mutual fund industry. All these measures will boost up REIT Sector and therefore Company has already decided to mobilize its resources to tap this opportunity.

The Board of the Company has been reconstituted through electoral process this year. The Company has diversified and vibrant Board including four independent directors and six shareholders directors. Four directors already have directors' training certification whereas remaining directors will be imparted with the training in due course.

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. To ensure continuous effectiveness of the Board, the Board has put in place an effective performance evaluation mechanism for evaluating the Board's own performance and based on such assessment the performance of the Board has been assessed satisfactory.

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.



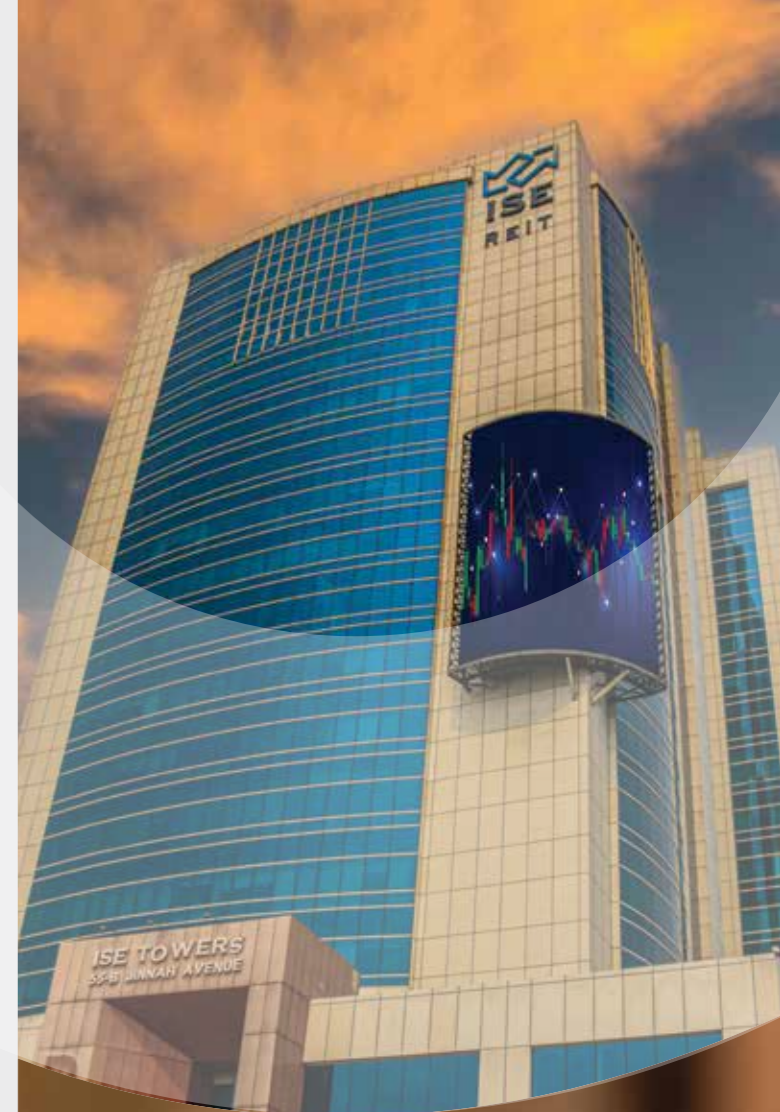
Zahid Latif Khan  
Chairman

## Zahid Latif Khan

Chairman



DIRECTORS'  
REPORT



GROW WITH



# DIRECTORS' REPORT

The Board of Directors of ISE Towers REIT Management Company Limited (the Company) are pleased to present their report together with audited financial statements of the Company and the auditors' report thereon for the year ended June 30, 2022.

## FINANCIAL OVERVIEW

The net profit after tax for the year ended June 30, 2022, has been recorded at Rs. 381.74 million with EPS of Rs. 1.04 per share as compared to last year profit of Rs. 513.39 million with EPS of Re 1.39. The EPS for the year on account of distributable profit is Re. 0.73 per share. The decrease in net profit is mainly on account of decrease in fair value gain on investment property and decrease in share of profits from associates. The operating revenue amounted to Rs. 359.06 million against comparative figure of Rs. 313.91 million recording an increase of 14.45%. Other income amounting to Rs. 122.78 million also registered an increase of 30.5% over the comparative figure of Rs. 94.09 million. Administrative expenses for the year amounting to Rs. 92.71 million remained within the budgetary authorization. The Company contributed an amount of Rs. 113.60 million to the Government Exchequer in the form of the taxes and Rs. 53.62 million towards Assets Replacement Fund.

The financial strength of the Company as reflected in the footing of Statement of Financial Position as at June 30, 2022 remained strong with no outside liability and with an increase of Rs. 194.41 million mainly on account of increase in long term & short-term investments and investment property. The Company paid final dividend of Rs. 220.31 million for the year ended June 30, 2021 to its shareholders during the year.

## Dividend

The Board has recommended a final cash dividend of Re. 0.65 per share (6.5%) for the year ended June 30, 2022 thereby appropriating an amount of Rs. 238.67 million out of un-appropriated profits.

## Financial Highlights

Financial highlights of the Company for last six years are provided at page 39 of Annual Report.

## ECONOMIC REVIEW

Pakistan's economy continued to demonstrate cycles of boom and bust. During the fiscal year 2022 the economy portrayed continued strong recovery, with the GDP growing by 5.97 percent. This healthy economic growth was backed by reconciling monetary policy and fiscal incentives.

Growth rate of almost 6% was overshadowed by ballooning fiscal and current account deficits. Political instability, high international fuel & commodity prices and bludgeoning trade deficit and lastly the recent devastating floods exert an immense pressure on the economy of Pakistan. However, with the taxation measures, IMF deal, expected inflows from friendly countries, the macroeconomics of the country may improve.

Real Estate is one of the fastest growing industries in Pakistan. Real estate sector is most heavily invested sector in Pakistan and considered to be high yield sector. The worth of real estate in Pakistan is estimated to be USD 1.5 trillion. Construction sector contribution to GDP is more than 2.5% and this sector employs around 9.5% employment force. Pakistan is the fifth most populous country with more than 224 million citizens having high population growth rate of 2.4% and urbanization rate of 36%. Pakistan's need of the hour is more than 20 million housing units in the next 20-25 years. The demand for real estate increases with rising population and economic growth. With that growth the urbanization in the country has also significantly increased in recent years.

The Real Estate Investment Trust (REIT), being a transparent, well documented and regulated mechanism for investment in the real estate sector, provides a relative safer investment option with steady cash flow streams. The introduction of pro-business amendments in the Real Estate

## Sagheer Mushtaq

Chief Executive Officer

## DIRECTORS' REPORT

Investment Trust Regulations, 2015 together with amendment of tax laws by the Government to provide balanced tax regime to the REIT Sector during the year already fueled this sector and will bring more capital towards REITs. On account of pro-REIT reforms in October last year, so far twelve REITs have been approved whereas fifteen companies have license to operate as RMC.

### REIT SCHEME(S)

The Company in line with its objective, is pursuing the launch of "ISE Towers REIT Scheme" being a pilot project which was pending due to completion certificate from Capital Development Authority. Consequent upon recent pro-REIT amendments in the Real Estate Investment Trust Regulations, 2015, by Securities and Exchange Commission of Pakistan (SECP) whereby an alternative to completion certificate was introduced, the Company has immediately taken up the matter and in accordance with requirement of the Companies Act, 2017, the launch of the ISE Towers REIT Scheme, as a Rental REIT Scheme, was unanimously approved by the general body of the Company in its Extraordinary General meeting held on February 02, 2022. The related documentation has also been completed and submitted to the Trustee for the scheme as well as to SECP. The process however temporarily is on halt due to a legal constraint, as ICT Trust Act, 2020 presently do not allow registration of trust by the legal person. To address this legal impediment, a representation has already been made to relevant forums for amending the ICT Trust Act which is being followed actively.

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.

### ISE Towers Operations

The ISE Towers is considered to be a financial hub of capital city and one of the best building in Islamabad. The building has been witnessing consistent occupancy level since the year 2015. The real estate marked for REIT Scheme is fully occupied.

The Company believed to provide a safe and healthy work environment to its valuable tenants / occupants. The Company, therefore, on account of Covid-19 pandemic, continued to maintain a safe environment for its tenants, employees, customers and visitors visiting our Towers through precautionary protocols. The Company has also obtained ISO 9001-2015 for quality management services of ISE Towers. In addition, smoking is prohibited inside the building and ISE Towers has been declared as smoke free building by the Government of Pakistan.

### Digital Custodian Company Limited

Digital Custodian Company Limited (DCCL), being an equity investment of ISE Towers REIT Management Company is a duly licensed / registered Trustee / Custodian company under the Non-Banking Finance Companies (NBFC) regime of the Securities & Exchange Commission of Pakistan (SECP). DCCL has also been granted additional licenses including share registrar services, debt securities trustees etc. which will ultimately augment the market value of DCCL.

### CORPORATE 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

## DIRECTORS' REPORT

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 Officer (CEO) is an ex-officio member of the Board. Except for CEO, all Directors are Non-Executive Directors (NED).

During the year, elections of the Board of Directors were held on February 22, 2022 whereby six NED and four ID were elected. The Board places its appreciation and recognition for outgoing directors for their contribution and wish them all the best in future endeavors. 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

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		✓	✓	

The attendance at the Committee meetings during the year are attached.

### Directors' Training Program

The Company in order to ensure good corporate governance has envisaged the need for effective training of its directors. Out of the current

### 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, nine (9) meetings of the Board were held, attendance of the directors are 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

composition of the Board, four (4) Directors of the Company are certified Directors as per the requirements of CCG whereas one (1) Director qualify for exemption from this training program on account of his extensive experience of corporate affairs. The rest of the directors shall be imparted this training in due course.

## DIRECTORS' REPORT

### 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 for 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' 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 recognizing its duty to contribute towards development of under privileged segments of the society, has a defined policy of Corporate Social Responsibility with annual contribution of Rs 1.0 million. The Company philanthropically desires to cover areas such as education, skills development, sports, environmental protection, community support and health.

During the year, the focus was on providing the quality education to the students in the vicinity of Islamabad and Rawalpindi who are unable to afford their educational expenses. The Company under its Scholarship Program enrolled eighteen (18) students to date in this Scheme.

### MANAGEMENT OBJECTIVE AND OVERALL CORPORATE STRATEGY

The management has the objective to transform the culture of the Company into business oriented empowered and cross functional tiers in order to maximize returns for the shareholders. The Company's strategy is to maintain a strong capital base which is built on reserves so as to maintain investors and market confidence for growth of the business of the Company.

### 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.

## DIRECTORS' REPORT

### 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

Yousaf Adil & Co Chartered Accountants, auditors of the Company for the FY 2021-22 stands retire. The Board recommends the appointment of BDO Ebrahim and Co, Chartered Accountants as statutory auditors of the Company for the year 2022-23 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, 2022 along with the necessary information is annexed to this report.

### FUTURE OUTLOOK

The Company is well-positioned to pursue its goal of achieving sustained growth, profitability and financial strength. The Company has been envisaging multiple REIT Schemes in next couple of years in order to create wealth for its shareholders. The launch of ISE Towers REIT Scheme is on top priority and expected to be launched in financial year 2023. Besides the Company will also pursue to launch Developmental REIT Schemes in the metropolitan cities and in this respect the management has already been exploring real estate projects. Further, owing to its rich experience of providing building management services, the Company is also planning to establish a wholly owned subsidiary to provide property management services to REIT and other high-rise buildings.

### 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, October 24, 2022

## DIRECTORS' REPORT

### Attendance at Board meetings

During the year nine (9) meetings of the Board of Directors of the Company were held, out of which five (5) meetings were held during the tenure of previous Board. Directors' respective attendance in the Board meetings was as follows:

Name of Directors	Status	Attendance
Mr. Zahid Latif Khan	Chairman and NED – Re-elected on Feb 02, 2022	9/9
Mr. Sagheer Mushtaq	Chief Executive Officer	9/9
Mr. Adil Khan Swati	NED – Re-elected on Feb 02, 2022	9/9
Mr. Aftab Ahmad Ch.	ID - Retired on Feb 02, 2022	5/5
Mr. Faisal Naseem	NED - Retired on Feb 02, 2022	5/5
Mr. Farrukh Younas Khan	NED - Re-elected on Feb 02, 2022	9/9
Ms. Farzin Khan	Female ID - Re-elected on Feb 02, 2022	5/9
Mr. Masoom Akhtar	ID - Re-elected on Feb 02, 2022 & resigned on Mar 28, 2022	7/7
Ms. Minahil Ali	ID - Appointed on Apr 04, 2022 & Resigned on Aug 30, 2022	3/3
Mian Humayun Parvez	NED - Retired on Feb 02, 2022	5/5
Syed Mukhtar Hussain Jaffery	NED - Retired on Feb 02, 2022	5/5
Mr. Sohail Altaf	NED – Re-elected on Feb 02, 2022	9/9
Mr. Farooq Zafar	NED – Elected on Feb 02, 2022	4/4
Sardar Aman Khan	NED – Appointed on Feb 02, 2022	3/4
Malik Qamar Afzal	ID - Elected on Feb 02, 2022	4/4
Mr. Shauzab Ali	ID - Elected on Feb 02, 2022	3/4
Mr. Aamer Riaz	ID - Appointed on Aug 30, 2022	-

### Attendance at Committee meetings

Four (4) meetings of the Audit Committee and one meeting each of the HRR and Nomination Committee of the Board were held during the year. The attendance of the directors in the meeting was as under:

Name of Directors	Attendance		
	Audit	HRR	Nomination
Mr. Zahid Latif Khan (NED)	-	1 / 1	1 / 1
Mr. Adil Khan Swati (NED)	4 / 4	-	-
Mr. Aftab Ahmad Ch. (ID)	-	0 / 1	-
Mr. Faisal Naseem (NED)	-	-	1 / 1
Mr. Farrukh Younas Khan (NED)	4 / 4	1 / 1	-
Mr. Masoom Akhtar (ID)	3 / 3	-	-
Mian Humayun Parvez (NED)	2 / 2	-	1 / 1
Syed Mukhtar Hussain Jaffery (NED)	2 / 2	1 / 1	1 / 1
Mr. Sohail Altaf (NED)	-	0 / 1	0 / 1
Mr. Farooq Zafar (NED)	2 / 2	-	-
Mr. Shauzab Ali (ID)	1 / 1	-	-

## FINANCIAL HIGHLIGHTS

# GROW

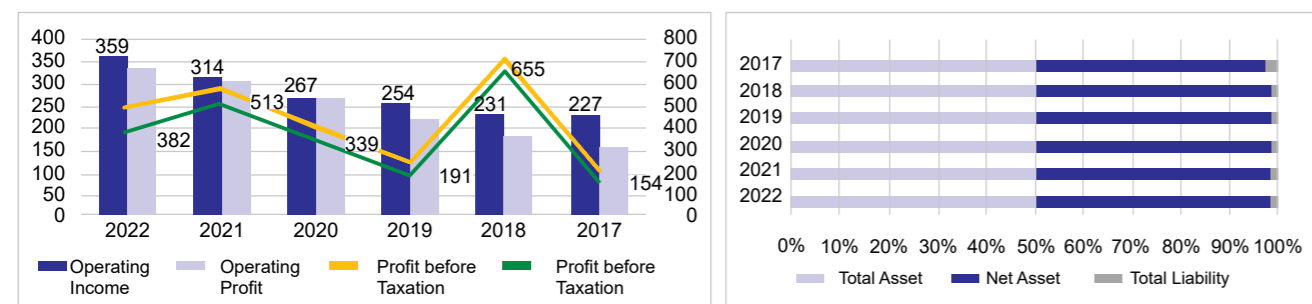


# FINANCIAL HIGHLIGHTS

## Six Years Performance

	2022	2021	2020	2019	2018	2017
Rupees in million						
<b>Profit &amp; Loss</b>						
Revenue	481.84	408.00	354.89	324.78	286.97	278.41
Administrative expenses	147.34	101.35	87.94	104.40	102.79	105.55
Fair value gain	108.67	201.14	102.25	0.00	509.84	0.00
Share of profit from associated companies	48.66	73.53	35.30	28.73	18.88	37.67
Income before taxation	495.34	581.23	404.50	249.12	712.89	210.54
Income after taxation	381.74	513.40	338.50	191.13	655.47	154.18
Net Profit	381.74	513.40	338.50	191.13	655.47	154.18
<b>Information per ordinary share</b>						
Dividend [Rs per share]	0.65	0.60	0.33	0.24	0.15	0.10
EPS [Rs per share]	1.04	1.40	0.92	0.52	0.40	0.42
Breakup value [Rs per share]	17.46	17.03	15.45	14.49	14.09	12.13
<b>Balance Sheet</b>						
Property and equipment	1,160.04	1,123.07	1,054.48	919.79	930.14	913.78
Intangible assets	2.26	0.93	0.86	0.73	0.70	0.27
Investment property	4,155.64	4,046.97	3,845.84	3,743.59	3,743.59	3,233.75
Long term investments	446.52	415.46	347.70	300.26	260.33	237.13
Total Current Assets	839.86	797.71	533.71	472.96	317.63	249.33
Total Assets	6,669.04	6,474.63	5,877.45	5,539.77	5,354.11	4,743.40
Equity + Revaluation Surplus	6,411.60	6,251.98	5,673.72	5,321.48	5,174.53	4,454.41
Total Non-Current Liabilities	41.35	38.08	34.84	32.67	37.69	46.50
Total Current Liabilities	216.09	184.57	168.90	185.62	141.89	242.49
<b>Cash Flow Summary</b>						
Net cash used in operating activities	274.87	249.08	200.90	227.84	68.72	172.09
Net cash used in investing activities	30.28	(133.19)	(96.62)	(154.13)	(80.58)	(62.70)
Net cash used in financing activities	(215.11)	(112.00)	(82.85)	(60.13)	(47.62)	(65.87)
Net increase / (decrease) in cash and cash equivalents	90.04	3.89	21.43	13.57	(59.48)	43.52

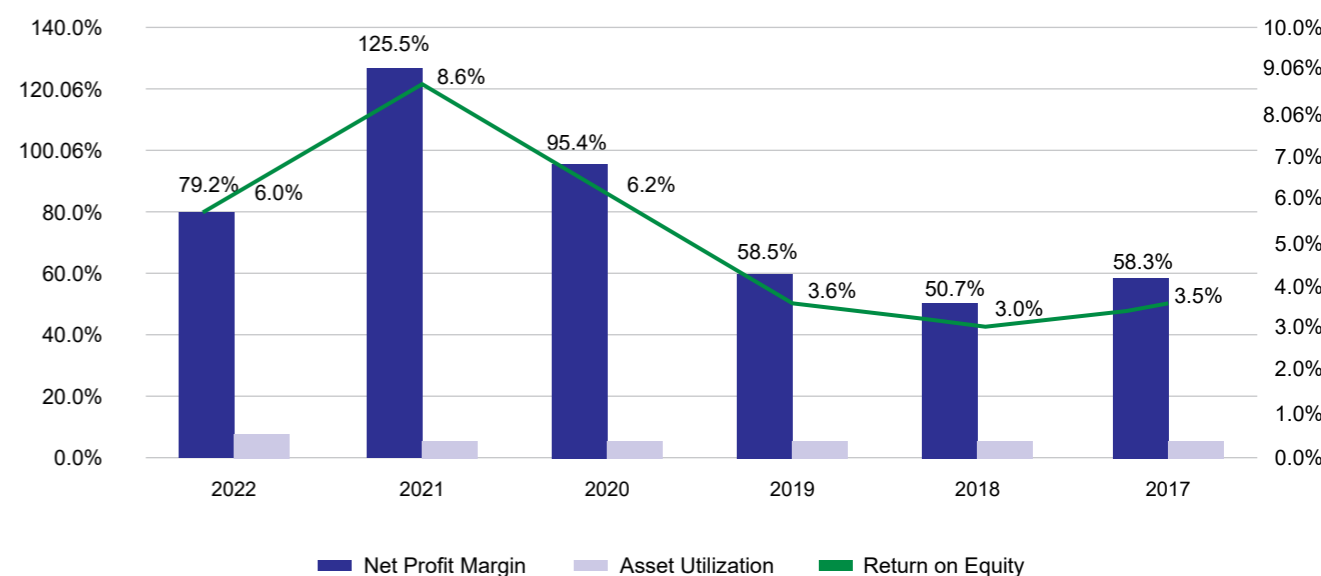
# KEY FINANCIALS



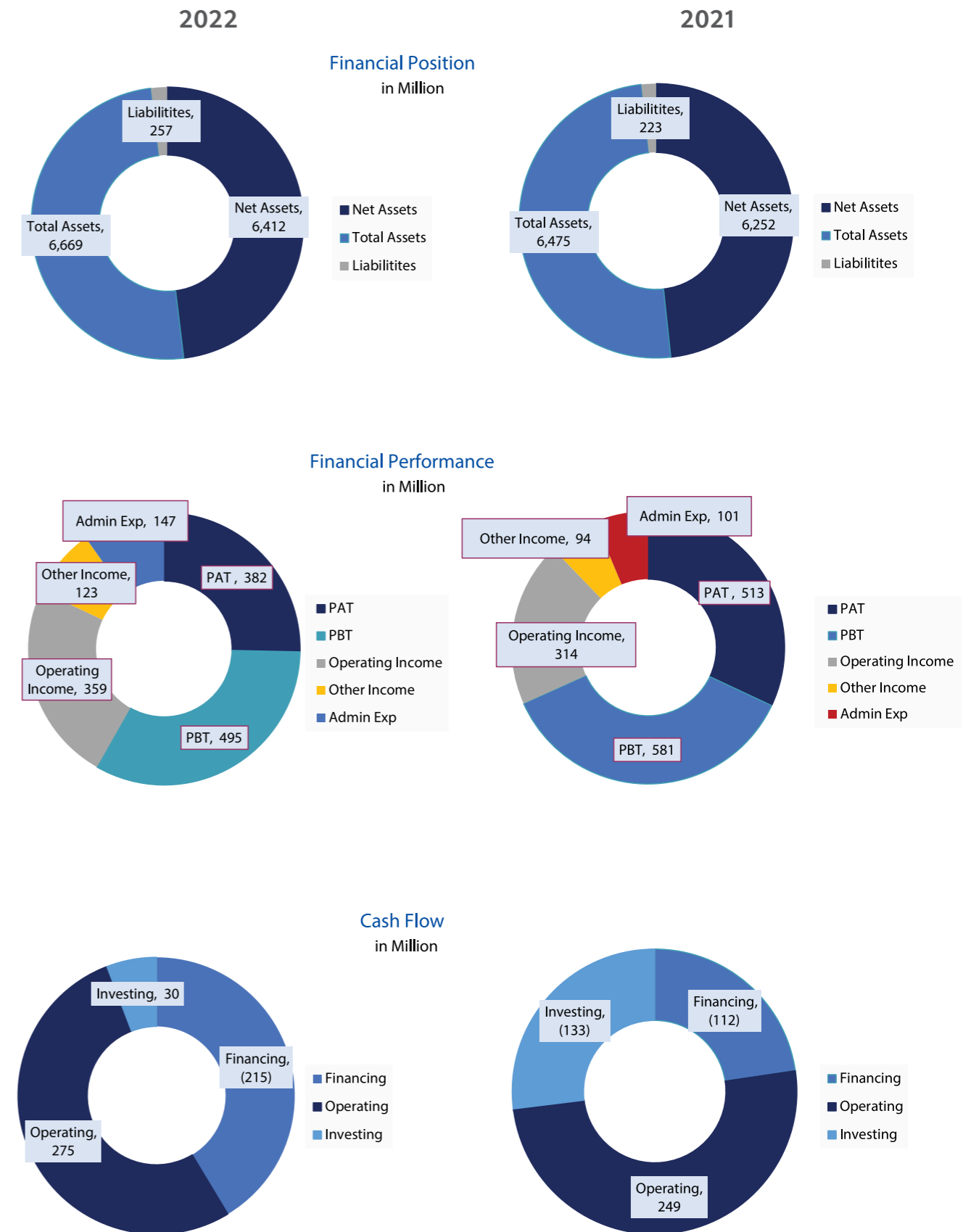
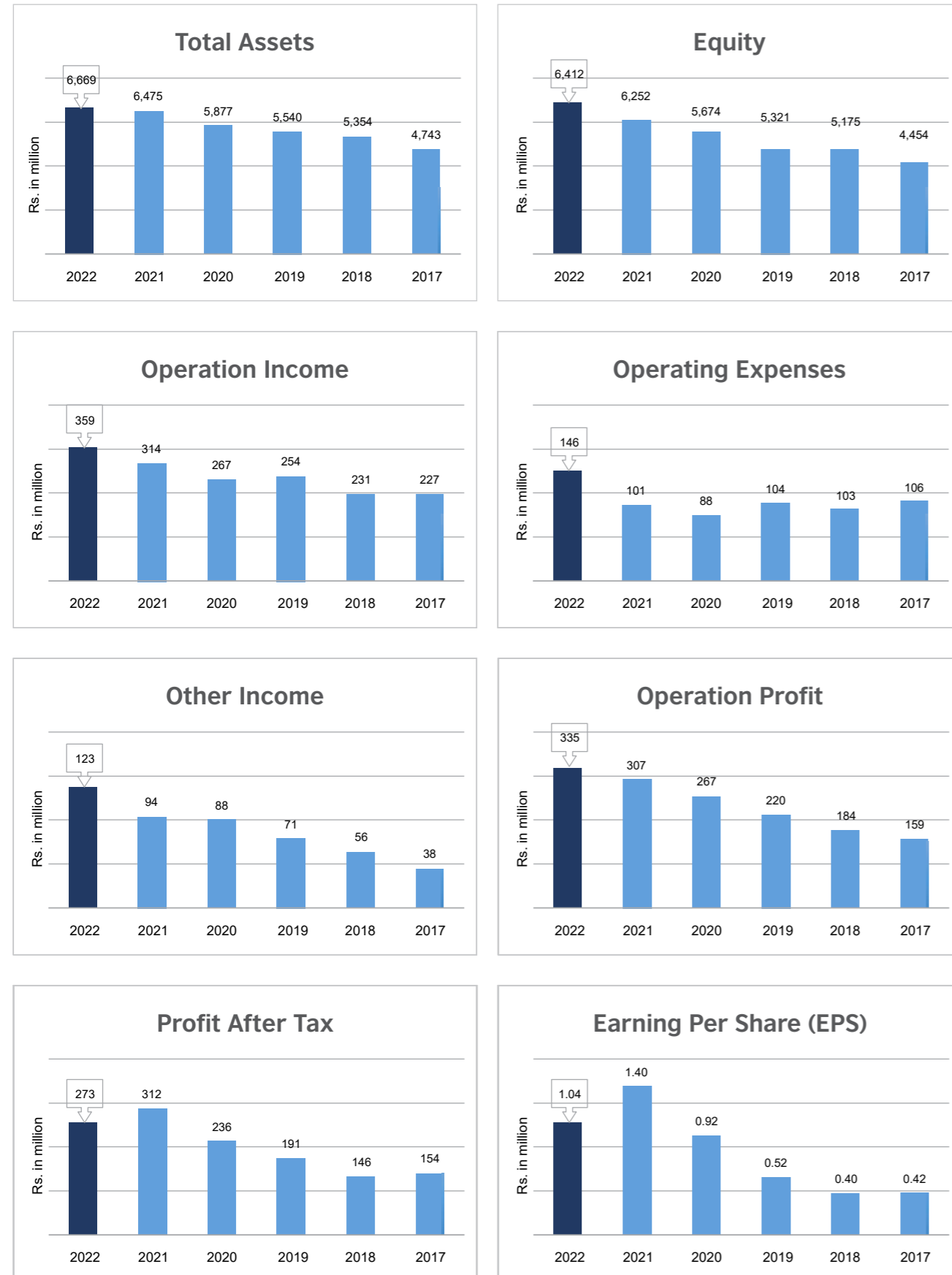
# RATIO ANALYSIS

	Unit	2022	2021	2020	2019	2018	2017
<b>Investment ratios:</b>							
Earnings per share (After tax)	Rupees	1.04	1.40	0.92	0.52	0.40	0.42
Earnings per share (Before tax)	Rupees	1.35	1.58	1.10	0.68	0.55	0.57
Book value per share	Rupees	17.46	17.03	15.45	14.49	14.09	12.13
Dividend per share	Rupees	0.65	0.60	0.33	0.24	0.15	0.10
<b>Profitability Ratios:</b>							
Operating Profit Margin	%	93.2%	97.7%	99.9%	86.8%	79.7%	70.2%
Net Profit Margin	%	106.3%	163.6%	126.7%	75.2%	63.0%	68.0%
Return on Average Equity (ROE)	%	6.0%	8.6%	6.2%	3.6%	3.0%	3.5%
Return on Average Assets (ROA)	%	5.8%	8.3%	5.9%	3.5%	2.9%	3.2%
Return on Capital Employed (ROCE)	%	5.9%	8.2%	5.9%	3.6%	2.8%	3.4%
Cost to Income ratio	%	43.7%	33.0%	32.9%	47.3%	55.8%	66.3%
<b>Asset Quality and Liquidity ratios</b>							
Investment to Total Assets	%	6.7%	6.4%	5.9%	5.4%	4.9%	5.0%
Cash to Current Liabilities	Times	0.71	0.36	0.37	0.22	0.20	0.36
Current Ratio	Times	3.89	4.32	3.16	2.55	2.24	1.03
Debt to Equity	Times	0.04	0.04	0.04	0.04	0.03	0.06
Total Assets to Equity	Times	1.04	1.04	1.04	1.04	1.03	1.06

# DUPONT ANALYSIS



# TREND ANALYSIS (2017-2022)



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



## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE 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 (the Company) for the year ended June 30, 2022 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 the 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 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, 2022.

**CHARTERED ACCOUNTANTS**  
Engagement Partner: Shahzad Ali

**ISLAMABAD**

Dated: October 27, 2022  
UDIN: CR202210134skR5lpTm9

## 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, 2022**

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

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)

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. 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.
4. 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.
5. 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.
6. The meetings of the board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
7. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

8. The directors namely Mr. Zahid Latif Khan, Mr. Adil Khan Swati, Mr. Farrukh Younas Khan and Ms. Farzin Khan already have certifications of Directors' Training Program from accredited institutions. Mr. Sohail Altaf in view of his extensive board level experiences qualify for exemption from such training. The rest of the directors shall be imparted this training in due course.
9. 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.
10. The Chief Executive Officer has duly endorsed the financial statements before approval of the board.
11. The board has formed committees comprising of members given below:
  - a) **Audit Committee**
    - i. Mr. Shauzab Ali ID – Chairman of the Committee
    - ii. Mr. Adil Khan Swati
    - iii. Mr. Farooq Zafar
    - iv. Mr. Farrukh Younas Khan
    - v. Mr. Zeeshan Shafique Secretary of the Committee
  - b) **Human Resource Committee**
    - i. Ms. Farzin Khan ID – Chairman of the Committee
    - ii. Mr. Farrukh Younas Khan
    - iii. Sardar Aman Khan
    - iv. Mr. Sohail Altaf
    - v. Mr. Zahid Latif Khan
    - vi. Mr. Sagheer Mushtaq
    - vii. Mr. Zeeshan Shafique Secretary of the Committee
  - c) **Nomination Committee**
    - i. Mr. Zahid Latif Khan NED – Chairman of the Committee
    - ii. Mr. Adil Khan Swati
    - iii. Mr. Farrukh Younas Khan
    - iv. Mr. Sohail Altaf
    - v. Mr. Sagheer Mushtaq
    - vi. Mr. Zeeshan Shafique Secretary of the Committee
  - d) **Risk Management Committee**
    - i. Malik Qamar Afzal ID – Chairman of the Committee
    - ii. Mr. Farooq Zafar
    - iii. Sardar Aman Khan
    - iv. Mr. Shauzab Ali
    - v. Mr. Zahid Latif Khan
    - vi. Mr. Sagheer Mushtaq
    - vii. Mr. Zeeshan Shafique Secretary of the Committee
12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
13. The frequency of meetings of the committees were as per following:

### a). Audit Committee:

Four (4) meetings of the Committee were held during FY 2022.



**b). Human Resource and Remuneration (HRR) Committee:**

One (1) meeting of the Committee was held during FY 2022.

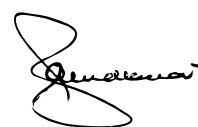
**c). Nomination Committee:**

One (1) meeting of the Committee was held during FY 2022.

**d). Risk Management Committee:**

No meeting was held during FY 2022.

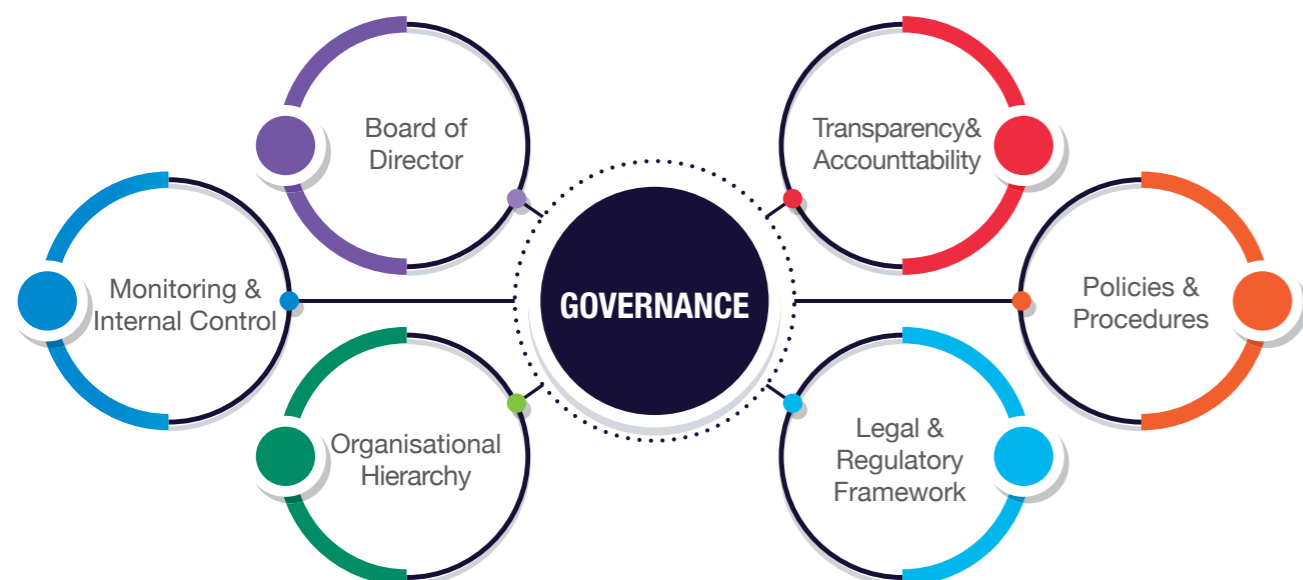
14. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating 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.
16. 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.
17. We confirm that all other requirements of the Regulations have been complied with.



**Zahid Latif Khan**  
Chairman



**Sagheer Mushtaq**  
Chief Executive Officer



# ANNUAL GENERAL MEETING



# ANNUAL GENERAL MEETING



# ANNUAL GENERAL MEETING





## EXTRA ORDINARY GENERAL MEETINGS



## BOARD OF DIRECTORS' MEETINGS



# ELECTION OF BOARD OF DIRECTORS



# ELECTION OF BOARD OF DIRECTORS



## ELECTION OF BOARD OF DIRECTORS



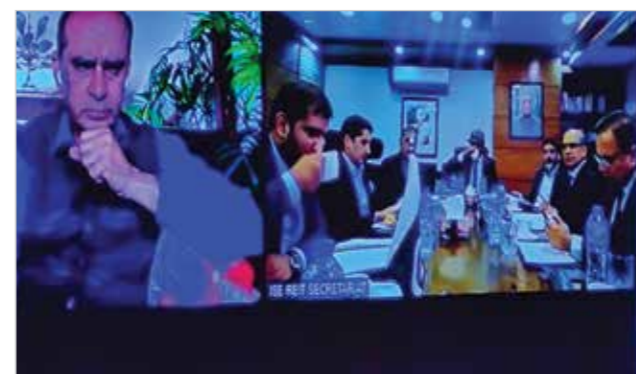
## ELECTION OF CHAIRMAN



# ELECTION OF CHAIRMAN



# BOARD OF DIRECTORS 2022-2025



# BOARD OF DIRECTORS 2022-2025



# BOARD OF DIRECTORS 2022-2025





# AUDIT COMMITTEE



# SUB COMMITTEE MEETING



## FIRE AND SAFETY PROJECT SUPERVISION COMMITTEE



## EVENT GLIMPSES



Visit of ASEAN delegation



Womens' day celebration

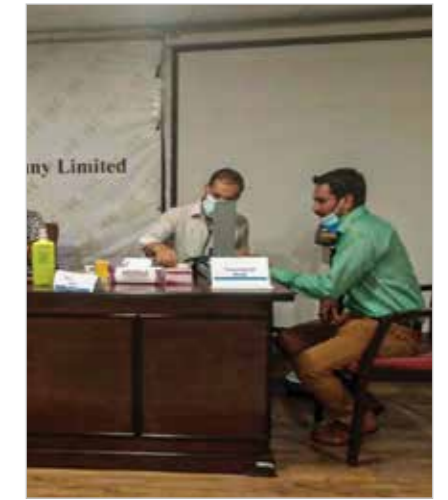
# EVENT GLIMPSES



# EVENT GLIMPSES



# CAMP BY DIABETIC CENTRE AT ISE TOWERS



# CHRISTMAS CELEBRATION-2021



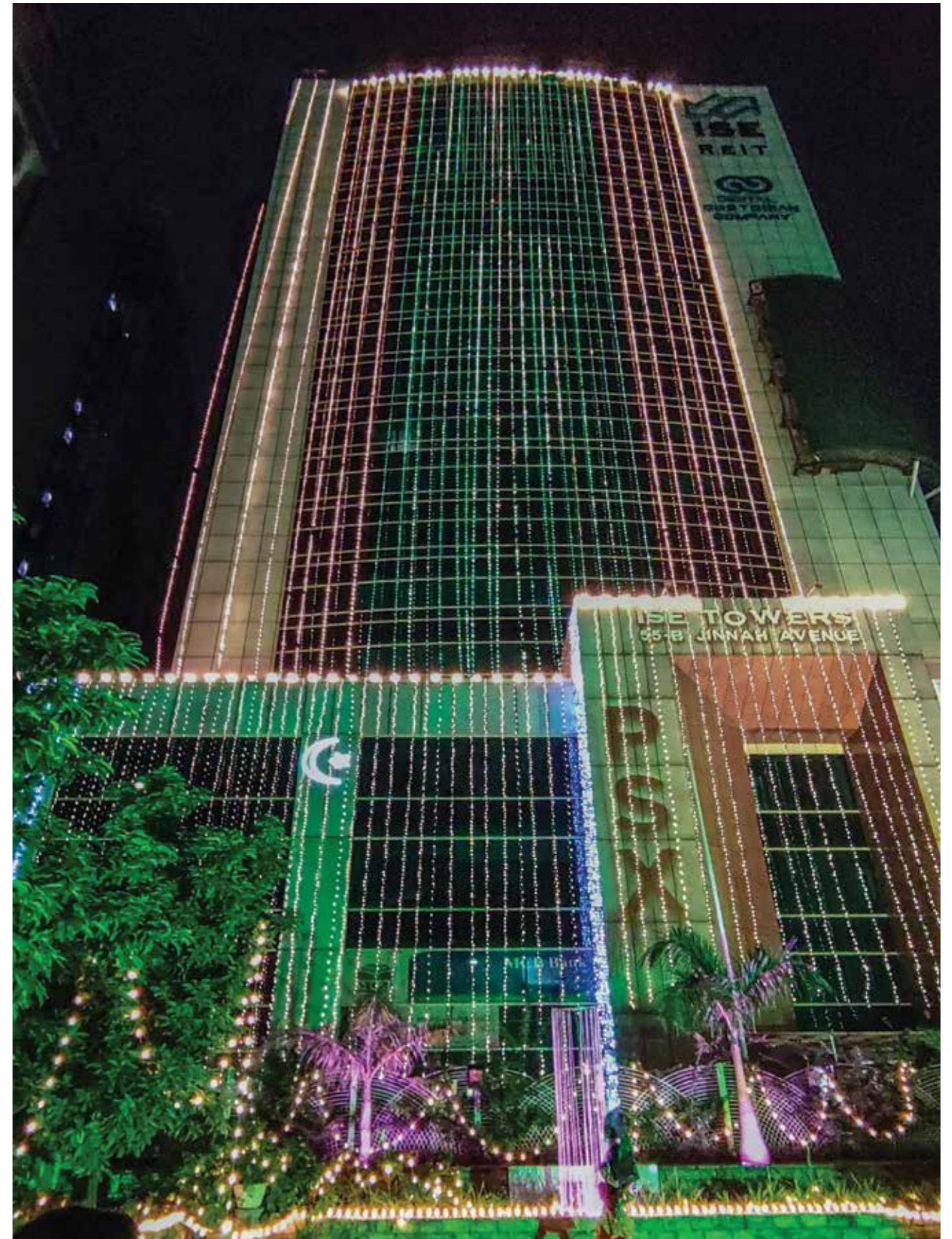
# FIRE EVACUATION DRILL AT ISE TOWERS



# BLOOD DONATION CAMP BY RED CRESCENT



# INDEPENDENCE DAY



## INDEPENDENCE DAY



## FINANCIAL STATEMENTS



# GROWTH

# 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, 2022 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, 2022 and of the profit, 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

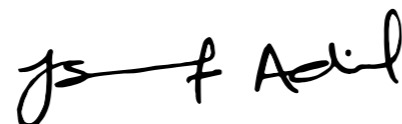
Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;

- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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.

The engagement partner on the audit resulting in this independent auditors report is Mr. Shehzad Ali.



CHARTERED ACCOUNTANTS

ISLAMABAD

DATED: October 27, 2022

UDIN: AR202210134SpId3etvP

## ISE TOWERS REIT MANAGEMENT COMPANY LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

Note	Consolidated		
	2022 ----- (Rupees in '000) -----	2021	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	1,160,044	1,123,067
Intangible assets	7	2,262	927
Investment property	8	4,155,638	4,046,972
Long term investments	9	446,523	415,456
Long term deposits	10	14,883	15,791
Deferred taxation	11	49,829	74,701
		<b>5,829,179</b>	<b>5,676,914</b>
<b>CURRENT ASSETS</b>			
Receivables	12	40,060	48,504
Advances and prepayments	13	7,523	5,005
Tax refund due from government -net	14	1,593	30,600
Short term investment - amortized cost	15	636,321	646,860
Cash and bank balances	16	154,359	66,743
		<b>839,856</b>	<b>797,712</b>
<b>TOTAL ASSETS</b>		<b>6,669,035</b>	<b>6,474,626</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
700,000,000 ( 2021: 700,000,000) ordinary shares of Rs. 10 each		7,000,000	7,000,000
Issued, subscribed and paid up capital	17	3,671,870	3,671,870
Surplus on revaluation of property and equipment	18	416,066	369,294
Other reserves	19	2,323,664	2,117,825
		<b>6,411,600</b>	<b>6,158,989</b>
<b>NON-CONTROLLING INTEREST</b>			
		-	92,990
		<b>6,411,600</b>	<b>6,251,979</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits	20	21,908	22,434
Deferred liabilities	21	19,439	15,646
		<b>41,347</b>	<b>38,080</b>
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	22	53,387	65,913
Advances and deposits	23	142,591	104,447
Unclaimed dividend	24	20,110	14,207
		<b>216,088</b>	<b>184,567</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,669,035</b>	<b>6,474,626</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
25			

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHAIRMAN



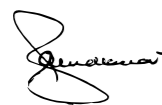
CHIEF EXECUTIVE OFFICER



**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000') -----	
<b>Income</b>			
Operating income	26	359,057	313,907
<b>Operating expenses:</b>			
Depreciation and amortization	27	(53,303)	(39,067)
Other administrative expenses	28	(92,710)	(62,230)
		(146,013)	(101,297)
Other income	29	122,781	94,090
Financial charges	30	(1,323)	(57)
Operating profit		334,502	306,643
Fair value gain on investment property	8	108,666	201,135
Fair value gain / (loss) on investments classified at fair value through profit or loss		3,509	(75)
Share of profit from associated companies	9.2.1&9.2.2	48,662	73,532
Profit before taxation		495,339	581,235
Taxation	31	(113,600)	(67,838)
Profit for the year after taxation		381,739	513,397
<b>Attributable To:</b>			
Owners of the Parent		396,726	510,132
Non-controlling interests		(14,987)	3,265
		381,739	513,397
		----- (Rupees) -----	
<b>Earning per share:</b>			
Distributable profit		0.73	0.84
Undistributable - unrealised fair value gains		0.30	0.55
Earning per share - basic and diluted	32	1.04	1.39

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000') -----	
Profit for the year after taxation		381,739	513,397
<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	70,654	91,222
Related deferred tax impact	11.3	(15,648)	(6,829)
		55,006	84,393
Gain / (loss) on remeasurement of defined benefit liability of associated companies - net of tax	9.1.3	(29)	108
Gain on remeasurement of defined benefit liability	21.3.5	(360)	131
		(389)	239
		54,617	84,632
<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	19,935	11,681
Other comprehensive income for the year - net of tax		74,552	96,313
Total comprehensive income for the year		456,291	609,710

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHAIRMAN



CHIEF EXECUTIVE OFFICER

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022 ----- (Rupees in '000') -----	Consolidated 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	495,339	581,235
Adjustment for non-cash charges and other items	(175,816)	(279,299)
	<b>319,523</b>	301,936
<b>Working capital changes (Increase) / decrease in current assets</b>		
Accounts receivables	4,094	(2,053)
Advances, deposits, prepayments and other receivables including long term advances	(4,129)	890
	(35)	(1,163)
<b>Increase / (decrease) in current liabilities</b>		
Advances and deposits	38,144	1,014
Accrued and other payables	(8,881)	8,127
	29,263	9,141
Cash generated from operations	348,752	309,914
Payment for gratuity	(341)	(2,840)
Compensated absences paid	(85)	(827)
Taxation	(73,454)	(57,166)
Net cash generated from operating activities	274,872	249,081
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(15,020)	(14,417)
Proceeds from sale of assets	-	412
Investment in subsidiary	-	(7,546)
Investment made during the year -net	(69,089)	(179,773)
Proceeds from redemption of investments	-	2,000
Interest received	52,086	35,701
Dividend received	62,303	30,434
Net cash generated from/(used in) investing activities	30,280	(133,189)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term deposits	(646)	3,391
Dividend paid	(214,409)	(115,338)
Financial charges paid	(58)	(57)
Net cash used in financing activities	(215,113)	(112,004)
Net increase in cash and cash equivalents	90,039	3,888
Cash and cash equivalents at beginning of the year	64,320	62,855
Cash and cash equivalents at end of the year	154,359	66,743

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHAIRMAN

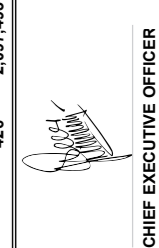
  
CHIEF EXECUTIVE OFFICER

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022**

	Revenue reserves				Capital reserve		Total
	Unrealized surplus on revaluation of associate's investments	Accumulated profit	Total revenue reserves	Non-controlling interest	Surplus on revaluation of investments - FVOCI	Fixed assets replacement reserve	
Balance as at June 30, 2020	426	1,614,182	1,695,316	-	80,708	15,157	5,673,716
<b>Total comprehensive income for the year 2021</b>	-	-	-	89,725	-	-	89,725
Non-controlling interests on acquisition of subsidiary	-	-	-	3,265	-	-	3,265
Profit for the year after taxation	-	510,132	510,132	-	131	-	513,397
Gain on remeasurement of defined benefit liability	-	-	-	-	-	-	131
Revaluation of property and equipment during the year	-	-	-	-	-	-	84,393
Transfer to accumulated profit on account of incremental depreciation (net of tax)	-	6,472	6,472	-	-	-	-
Share of other comprehensive loss of associates	-	-	-	-	-	-	-
Surplus on remeasurement of equity investment - FVOCI	-	108	11,789	-	-	-	11,789
<b>Fixed assets replacement reserve</b>	-	-	-	-	-	51,840	-
Amount collected for fixed assets replacement reserve	-	-	-	-	-	-	-
Amount utilized from fixed assets replacement reserve	-	-	-	-	-	-	-
<b>Transactions with owners</b>	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2020 at Re. 0.33 per share	-	-	-	-	-	-	-
Balance as at June 30, 2021	426	1,956,013	2,050,828	92,990	92,389	66,997	6,251,979
<b>Total comprehensive income for the year 2022</b>	-	-	-	1,645	-	-	(91,345)
Derecognition of subsidiary on loss of control	-	-	-	-	-	-	-
Profit for the year after taxation	-	-	-	-	-	-	396,726
Gain 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)	-	8,234	8,234	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	-
Surplus on remeasurement of equity investment - FVOCI	-	-	-	-	19,935	-	19,935
<b>Fixed assets replacement reserve</b>	-	-	-	-	-	53,617	-
Amount collected for fixed assets replacement reserve	-	-	-	-	-	-	-
Amount utilized from fixed assets replacement reserve	-	-	-	-	-	-	-
<b>Transactions with owners</b>	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2021 at Re. 0.60 per share	-	-	-	-	-	-	-
Balance as at June 30, 2022	426	2,097,493	2,211,888	-	112,324	111,776	6,411,600

The annexed notes from 1 to 44 form an integral part of these financial statements.

  
CHAIRMAN

  
CHIEF EXECUTIVE OFFICER

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**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) as a company limited by guarantee 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 Holding 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 Holding 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 Holding Company licensed as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 by Securities and Exchange Commission of Pakistan to form and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2015.

During the year, the general body and Board of Directors approved to launch a Rental REIT Scheme against allocated area of 135,142 square feet which is included in the investment property. Consequent upon approval of the Securities and Exchange Commission of Pakistan, REIT Scheme will be launched.

**1.1.5** The principal activities of the Company is to form, launch and manage Real Estate Investment Trust (REITs) under REIT Regulations, 2015.

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** During the year, due to change in agreement between ISE Towers Reit Management Company Limited and Info tech Private limited (i.e. shareholders of DCCL) and consequent 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; and
- Provisions of and directives issued under the Companies Act, 2017.

- The Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (the NBFC Rules 2003); and The Real Estate Investment Regulations 2015.

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 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.

The preparation of these financial statements in conformity with approved accounting standards requires the management to exercise its judgment in the process of applying the Group's accounting policies and use of certain critical accounting estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed in note 3.4.

**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 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 consolidated 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. 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. New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022**

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. 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.

**Effective from Accounting period  
beginning on or after**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

Certain annual improvements have also been made to a number of IFRSs.

**4.1 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.

**Effective from Accounting period  
beginning on or after**

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
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current

January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies

January 01, 2023

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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****5.1 Basis of Consolidation**

These consolidated financial statements has been consolidated as under:

- Statement of financial position is unconsolidated due to derecognizing of assets and liabilities of DCCL whereas comparative statement of financial position is consolidated.

- Statement of profit or loss is consolidated till the effective date.

**5.2 Employee benefits****5.2.1 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, 2022.

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.

**5.2.2 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, 2022.

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.

**5.3 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.

**5.4 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.

**5.5 Property and equipment****Owned assets****5.6.1 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 upto 99 years. Depreciation on depreciable assets is commenced from the month the asset is available for use upto 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.

**5.6.2 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.

**5.6 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 upto the month preceding the month of disposal.

**5.7 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.

**5.8 Long term Investments****5.8.1 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.

**5.8.2 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.

**5.9 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.

**Trusteeship and custodian business**

Revenue from trusteeship and custodian business of DCCL is recognized when it satisfies a performance obligation by rendering promised services as per respective agreements.

**5.10 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.

**5.11 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.

**5.12 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.

**5.14 Financial instruments****5.14.1 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, other receivables and cash and bank balances. 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.

**5.14.2 Financial liabilities**

Financial liabilities are measured at amortized cost or 'at fair value through profit or loss' (FVPL). A financial liability is classified as at FVPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL 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.

**5.15 Account 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.

**5.16 Other receivables**

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

**5.17 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.

**5.18 Cash and bank balances**

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

**5.19 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.

**5.20 Share capital**

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

**5.21 Earnings per share**

The Company presents earnings per share (EPS) data 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**5.22 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 approved.

**5.23 Apportioning to reserve**

The Company operates a common use 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**

Operating fixed assets  
Capital work in progress

Note	2022 (Rupees in '000)	Consolidated 2021
6.1	<b>1,158,804</b>	1,121,336
6.2	<b>1,240</b>	1,731
	<b>1,160,044</b>	1,123,067

**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
<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	7,567
Transfers from CWIP	-	-	2,754	-	-	-	1,879	-	479	-	-	-	-	5,112
Loss of control of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	(4,823)	(4,166)	-	(4,893)	(13,872)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	2,715	3,252	-	2,285	8,252
	-	-	-	-	-	-	-	-	-	(2,108)	(904)	-	(2,608)	(5,620)
<b>Assets written off</b>														
Cost	-	-	(8)	-	-	-	-	(91)	-	(193)	(86)	-	(151)	(528)
Accumulated depreciation	-	-	8	-	-	-	-	91	-	127	83	-	151	460
Write-off (NBV)	-	-	(0)	-	-	-	-	-	-	(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	<b>663,601</b>	<b>369,947</b>	<b>8,422</b>	<b>3,748</b>	-	<b>95,553</b>	<b>6,793</b>	<b>59</b>	<b>1,441</b>	<b>2,507</b>	<b>1,645</b>	<b>4,985</b>	<b>202</b>	<b>1,158,804</b>
<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)	(65,557)	(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	<b>663,601</b>	<b>369,947</b>	<b>8,422</b>	<b>3,748</b>	-	<b>95,553</b>	<b>6,793</b>	<b>59</b>	<b>1,441</b>	<b>2,507</b>	<b>1,645</b>	<b>4,985</b>	<b>202</b>	<b>1,158,804</b>
<b>Consolidated Net carrying value basis year ended June 30, 2021</b>														
Opening net book value (NBV)	595,168	314,579	2,909	3,497	-	121,637	3,470	72	872	2,970	1,651	3,092	687	1,050,604
Acquisition of subsidiary (NBV)	-	-	419	841,000	-	-	333	85	1,120	2,662	621	-	517	1,993
Additions (at cost)	-	-	2,012	1,262	-	-	3,133	-	915	136	64	-	2,467	8,548
Transfers from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	7,522
Disposals:	-	-	-	-	-	-	-	-	-	-	-	(709)	-	(709)
Cost	-	-	-	-	-	-	-	-	-	-	-	709	-	709
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment for the year	67,672	23,550	(868)	-	-	(13,042)	(1,193)	(42)	(1,096)	(1,066)	(723)	-	-	91,222
Depreciation charge	(7,534)	(10,656)	(659)	(4,741)	-	(10,859)	(5,743)	115	1,811	5,277	2,514	(776)	(678)	(38,553)
Net book value	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
<b>Gross carrying value basis year ended June 30, 2021</b>														
Cost/ Revalued amount	595,168	314,579	70,006	156,685	5,521	130,464	13,474	12,118	6,493	12,302	7,449	3,879	8,577	1,336,715
Revaluation adjustment for the year	67,672	23,550	-	-	-	-	-	-	-	-	-	-	-	91,222
Accumulated depreciation	(7,534)	(10,656)	(65,554)	(151,944)	(5,521)	(21,869)	(7,731)	(12,003)	(4,882)	(7,025)	(4,935)	(1,563)	(5,584)	(306,601)
Net book value	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

(Rupees in '000)

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 lease hold land with covered area of 559,068 sq. yds.  
6.1.3 Depreciation charge for the year amounting to Rs. 40,166 million includes incremental depreciation on revaluation surplus amounting to Rs. 10,029 million ( 2021: Rs. 7,626 million).

6.1.4 The cost of fully depreciated assets which are still in use as at June 30, 2022 amounts to Rs. 533.8 million (2021: Rs. 530 million).

6.1.5 The Company has revalued its lease hold land and buildings on June 30, 2022 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. 70.654 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-22	70,654
	30-Jun-21	91,222
	30-Jun-20	97,451

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. 314.455 million respectively, as on June 30, 2022.

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

Description	2022		2021	
	Cost	Book value	Cost	Book value
	----- (Rupees in '000) -----			
Leasehold land	309,808	259,570	309,808	262,700
Building on leasehold land	373,025	275,702	373,025	285,028
	<b>682,833</b>	<b>535,272</b>	682,833	547,728

## 6.2 Capital work in progress

Description	Balance as on July 01, 2021	Additions	Transfers / Charged off	Balance as on June 30, 2022
	----- (Rupees in '000) -----			
Electrical equipment	-	2,754	2,754	-
Security systems	479	-	479	-
Smoke venting system	252	252	-	504
Security equipment	-	1,879	1,879	-
Office renovation	-	736	-	736
Advance against construction	1,000	-	1,000	-
	<b>1,731</b>	<b>5,621</b>	<b>6,112</b>	<b>1,240</b>

## 7. INTANGIBLE ASSETS

Computer software - in use		424	862
Accounting software - in use		-	65
Capital work in progress - computer software		1,838	-
		<b>2,262</b>	927

## 8. INVESTMENT PROPERTY

At fair value:			
Buildings	8.1	<b>4,155,638</b>	4,046,972

8.1 The movement in this head is as follows:

Opening balance		<b>4,046,972</b>	3,845,837
Fair value gain on revaluation shown in "Statement of profit or loss"		<b>108,666</b>	201,135
		<b>4,155,638</b>	4,046,972

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, 2022. 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. 3,532.291 million on June 30, 2022.

8.4 There are no non-cancellable operating leases of the Company as at June 30, 2022.

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. 312.067 million has been recognized in the statement of profit or loss as operating income. The Company's proportionate operating expenses pertaining to this property are recognized in the statement of profit or loss.

Note	Consolidated		
	2022 ----- (Rupees in '000) -----	2021	
<b>9. LONG TERM INVESTMENTS</b>			
Under Equity Method	9.1	282,280	271,148
Equity Investments - FVOCI	9.2	164,243	144,308
		<b>446,523</b>	415,456
<b>9.1 UNDER EQUITY METHOD</b>			
<b>Associated companies - unquoted</b>			
National Clearing Company of Pakistan Limited	9.1.1	248,492	259,026
Pakistan Mercantile Exchange Limited	9.1.2	22,195	12,122
Digital Custodian Company	9.1.3	11,593	-
		<b>282,280</b>	271,148
<b>9.1.1 National Clearing Company of Pakistan Limited (NCCPL)</b>			
Investment - at cost		82,207	82,207
Share in post acquisition profits brought forward		176,820	122,280
Share in profits for the year		40,556	71,992
Share in other comprehensive gain/(loss) for the year		(428)	108
Dividend received during the year		(50,664)	(17,561)
		<b>(10,536)</b>	54,539
		<b>166,285</b>	176,819
		<b>248,492</b>	259,026
<b>9.1.2 Pakistan Mercantile Exchange Limited (PMEX)</b>			
Investment - at cost		61,886	61,886
Share in post acquisition losses brought forward		(49,764)	(51,304)
Share in profits for the year		10,073	1,540
		<b>22,195</b>	12,122
<b>9.1.3 Digital Custodian Company - DCCL</b>			
Investment - at cost		9,969	-
Fair Value adjustment		3,191	-
		<b>13,161</b>	-
Share in profits for the year		(1,967)	-
Share in OCI for the year		399	-
		<b>11,593</b>	-



**9.1.3.1 Disposal of subsidiary**

During the year, due to change in agreement between ISE Towers Reit Management Company Limited and Info tech Private limited (i.e. shareholders of DCCL) and consequent 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

**9.1.4** The Company has the following shareholding structure in associates:

	2022		2021	
	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	1,000,000	9.00%	500,000	10.00%

**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:

	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	552,537	388,211	53,524	(27,947)
	----- (Rupees in '000) -----			
	2021			
	Assets	Liabilities	Revenues	Net profit
	----- (Rupees in '000) -----			
NCCPL	29,606,546	27,404,829	1,652,908	611,930
PMEX	2,663,957	2,614,290	301,213	8,674
DCCL	-	-	-	-

**9.2 Equity investments - FVOCI**

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited	9.2.1	154,854	136,554
VIS Credit Rating Company Limited (VIS)	9.2.2	9,389	7,754
		<u>164,243</u>	<u>144,308</u>

**9.2.1 Central Depository Company of Pakistan Limited**

Investment - at cost		47,163	47,163
Fair value adjustment	9.2.1.1	107,691	89,391
	9.2.1.2	154,854	136,554

**9.2.1.1 Fair value adjustment**

Opening	89,391	79,366
For the year transferred to other comprehensive income	18,300	10,025
Closing	<u>107,691</u>	<u>89,391</u>

**9.2.1.2** This represents investment in 7.50 million (June 30, 2021: 6.25 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.

CDC (June 30, 2022)

CDC (June 30, 2021)

CDC

**9.2.2 VIS Credit Rating Company Limited**

Investment - at cost		4,756	4,756
Fair value adjustment	9.2.2.1	4,633	2,998
		<u>9,389</u>	<u>7,754</u>

**9.2.2.1 Fair value adjustment**

Opening	2,998	1,342
For the year transferred to other comprehensive income	1,635	1,656
Closing	<u>4,633</u>	<u>2,998</u>

	2022			
	Assets	Liabilities	Revenues	Profit
	----- (Rupees in '000) -----			
VIS (June 30, 2022)	270,121	82,325	187,090	39,880
VIS (June 30, 2021)	242,424	87,331	162,653	37,015

VIS

**9.2.3 Surplus on investment of equity investment - FVOCI**

Central Depository Company of Pakistan Limited	9.2.1.1	107,691	89,391
VIS Credit Rating Company Limited	9.2.2.1	4,633	2,998
		<u>112,324</u>	<u>92,389</u>

**9.2.3.1 Fair value adjustment**

Opening	92,389	80,708
For the year transferred to other comprehensive income	19,935	11,681
Closing	<u>112,324</u>	<u>92,389</u>

**10. LONG TERM DEPOSITS**

Advances		179
<b>Deposits with:</b>		
Islamabad Electric Supply Company Limited		11,878
Sui Northern Gas Pipelines Limited		2,650
Central Depository Company of Pakistan Limited	10.1	-
Yaqoob Trading Company		-
Others	10.2	176
		<u>14,883</u>

- 10.1 These deposits are against acquisition of non-financial services. These are carried at cost as impact of amortization is not material in respect of these financial statements.

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>11. DEFERRED TAXATION</b>			
Deferred tax asset	11.1	<u>49,829</u>	<u>74,701</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		17,508	17,509
Surplus on revaluation of property and equipment		49,288	35,436
		<u>235,763</u>	<u>221,912</u>
<b>Deductible temporary differences</b>			
Provision for compensated absences		(494)	(494)
Depreciation on property and equipment		-	(184)
Carry forward of accumulated tax losses/unabsorbed depreciation		(285,098)	(295,934)
		<u>(285,592)</u>	<u>(296,613)</u>
	11.2 & 11.3	<u>(49,829)</u>	<u>(74,701)</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. No deferred tax assets has been recognized amounting to Rs. 222.631 million (2021: Rs.232.631 million) 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 to revaluation surplus due to incremental depreciation. 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, 2021	Profit and loss account	Other comprehensive income	Surplus on revaluation	As at June 30, 2022
<b>Effects of taxable temporary differences</b>					
Accelerated depreciation allowance	168,967	-	-	-	168,967
Long term investments - under equity method	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 absences equipment	(494)	-	-	-	(494)
Amortization of intangible assets	(1)	1	-	-	-
Carry forward of accumulated tax loss	(295,934)	10,836	-	-	(285,098)
	<u>(74,701)</u>	<u>9,225</u>	<u>15,648</u>	<u>-</u>	<u>(49,828)</u>

Deferred tax liabilities / (assets)	As at July 01, 2020	Profit and loss account	Other comprehensive income	Surplus on revaluation	As at June 30, 2021
<b>Effects of taxable temporary differences</b>					
Accelerated depreciation allowance method	168,967	-	-	-	168,967
Surplus on revaluation of property and equipment	17,509	-	-	-	17,509
	29,773	(1,166)	6,829	-	35,436
<b>Effects of deductible temporary differences</b>					
Provision for compensated absences	(494)	-	-	-	(494)
Depreciation on property and equipment		(361)	177	-	(184)
Amortization of intangibles		(2)	1	-	(1)
Carry forward of accumulated tax loss	(295,934)	-	-	-	(295,934)
	<u>(80,179)</u>	<u>(1,529)</u>	<u>7,007</u>	<u>-</u>	<u>(74,701)</u>

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>12. ACCOUNT RECEIVABLES</b>			
Rent Receivable		110	82
Receivable from building occupants	12.1	27,840	40,639
Receivable from REIT scheme		8,940	-
Due from sub lessee	12.2	500	500
Others		2,670	7,283
		<u>40,060</u>	<u>48,504</u>
Considered doubtful based on expected credit loss (ECL)		1,255	1,440
		<u>41,315</u>	<u>49,944</u>
Allowance for ECL		(1,255)	(1,440)
		<u>40,060</u>	<u>48,504</u>

- 12.1 This represents receivables from occupants of building on account of utilities and other maintenance services.
- 12.2 This represents receivables from a party to whom office space in ISE Towers have been sold/sub leased.

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>13. ADVANCES AND PREPAYMENTS</b>			
Advances	13.1	4,772	3,023
Prepayments		2,751	1,977
Security Deposits		-	5
		<u>7,523</u>	<u>5,005</u>
<b>13.1 Advances</b>			
Unsecured - considered good			
Advances to:			
Staff	13.1.1	877	429
Contractors	13.1.2	3,895	2,594
		<u>4,772</u>	<u>3,023</u>
Considered doubtful based on expected credit loss (ECL)		225	225
		<u>4,997</u>	<u>3,248</u>
Allowance for ECL		(225)	(225)
		<u>4,772</u>	<u>3,023</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, 2022. 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	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>19. OTHER RESERVES</b>			
Capital reserve			
- Fixed assets replacement reserve	19.1	111,776	66,997
Revenue reserves		2,211,888	2,050,828
		<u>2,323,664</u>	<u>2,117,825</u>
<b>19.1 Fixed assets replacement reserve</b>	20.1.1		
Opening		66,997	15,157
Contribution for the year		53,617	51,840
Reserve utilized during the year		(8,838)	-
Closing		<u>111,776</u>	<u>66,997</u>

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

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>20. LONG TERM DEPOSITS</b>			
Security deposits	20.1	21,908	22,434
		<u>21,908</u>	<u>22,434</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. These are carried at nominal value as impact of amortization of these is not material in respect of these financial statements.

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>20.2 Advance rent</b>			
Received during the year		346,610	269,122
Income recognized during the year		(215,397)	(176,175)
		<u>131,213</u>	<u>92,947</u>
Less: Current portion shown under current liabilities	21.2.1	131,213	92,947
		<u>-</u>	<u>-</u>

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

	Note	Consolidated	
		2022 ----- (Rupees in '000) -----	2021
<b>21. DEFERRED LIABILITIES</b>			
Staff retirement benefits - gratuity	21.3	15,073	12,068
Compensated absences	21.4	4,366	3,578
		<u>19,439</u>	<u>15,646</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, 2022 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

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.

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 5.3.1 & 5.3.2 of these financial statements.

	Note	Consolidated	
		2022 (Rupees in '000)	2021
<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>15,073</u>	<u>12,068</u>

## 21.3 Staff retirement benefits - gratuity

### 21.3.1 Liability recognized in the statement of financial position

Present value of defined benefit obligation

### 21.3.2 Movement of the liability recognized in the statement of financial position

Opening net liability		12,068	12,333
Charge for the year	21.3.4	2,986	2,706
Actuarial gain recognised in other comprehensive income	21.3.5	360	(131)
Benefits paid during the year		(341)	(2,840)
Closing net liability		<u>15,073</u>	<u>12,068</u>

### 21.3.3 Movement in present value of defined benefit obligations

Opening present value of defined benefit obligations		12,068	12,333
Current service cost for the year		1,796	1,778
Interest cost for the year		1,190	928
Remeasurement gain / (loss) on obligation	21.3.5	360	(131)
Benefits paid during the year		(341)	(2,840)
		<u>15,073</u>	<u>12,068</u>

### 21.3.4 Amount recognised in profit or loss account

Current service cost		1,796	1,778
Interest cost		1,190	928
Charge for the year		<u>2,985</u>	<u>2,706</u>

### 21.3.5 Remeasurement chargeable to other comprehensive income

Gain/ (loss) on remeasurement of obligation		<u>360</u>	<u>(131)</u>
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### 21.3.6 Comparison of liabilities for five years

	2022	2021	2020	2019	2018
	----- (Rupees in '000) -----				
	<u>15,073</u>	<u>12,068</u>	<u>12,333</u>	<u>11,097</u>	<u>10,415</u>

**21.3.7 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2022 is as follows:

	Increase in Assumption ----- (Rupees in '000) -----	Decrease in Assumption
Discount rate (Effect in Rupees)	14,232	15,999
Salary increase (Effect in Rupees)	15,999	14,218

**21.3.8** The charge in respect of defined benefit plan for the year ending June 30, 2023 is estimated to be Rs. 2.076 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**

Mortality table	2022	2021
Discount rate (%)	13.25	10
Expected rate of increase in salary (%)	12.25	9
Average expected remaining working life time of employee (Years)	6	7.6
Weighted average duration of the defined benefits obligation (Years)	6	9
Maturity profile	SLIC(2001-05)	

**21.3.10**

	(Rupees in '000)	
One year		1,484
One to five years		9,559
After five years		105,055

**21.4 Compensated absences****21.4.1****Liability recognized in the statement of financial position**

	2022	Consolidated 2021
Present value of defined benefit obligation	4,366	3,578

**21.4.2 Movement of the liability recognized in the statement of financial position**

	2022	2021
Opening liability	3,578	3,460
Charge for the year	873	945
Benefits paid during the year	(85)	(827)
	4,366	3,578

**21.4.3 Movement in present value of defined benefit obligations**

	2022	2021
Opening present value of defined benefit obligations	3,578	3,460
Current service cost for the year	270	243
Interest cost for the year	353	259
Benefits paid during the year	(85)	(827)
Remeasurement loss on obligation	250	443
Closing present value of defined benefit obligations	4,366	3,578

**21.4.4 Amount recognised in profit or loss account**

	2022	2021
Current service cost	270	243
Interest cost	250	259
Actuarial loss / (gain)	353	443
	873	945

**21.4.5 Remeasurement chargeable to profit or loss**

Remeasurement loss on obligation	250	443
----------------------------------	-----	-----

**21.4.6 Comparison of liabilities for previous years**

	2022	2021	2020	2019	2018
	----- (Rupees in '000) -----				
	4,366	3,578	3,460	3,823	3,282

**21.4.7 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2022 is as follows:

	Increase in Assumption ----- (Rupees in '000) -----	Decrease in Assumption
Discount rate (Effect in Rupees)	4,111	4,653
Salary increase (Effect in Rupees)	4,639	4,119

**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 5.3 of these financial statements.

**22. ACCRUED AND OTHER PAYABLES**

	Note	2022	Consolidated 2021
		----- (Rupees in '000) -----	
Proceeds from sale of assets of security brokers in default	22.1	18,006	15,321
Payable on account of cancellation of sub lease	22.2	11,375	11,375
Accrued liabilities	22.3	13,745	26,180
Withholding tax payable		-	119
Corporate social responsibility		6,452	5,575
Audit fee payable		430	154
Sindh sales tax payable		-	250
Other payables		3,379	6,939
		53,387	65,913

**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, Riaz Mahmood and Stock street (Pvt) Ltd. amounting to Rs. 1.24 million (2021: Rs. 1.41 million), Rs. 4.45 million (2021: Rs. 4.46 million) and Rs. 3.09 million (2021: Rs. 1.82 million) respectively. These amounts are to be utilized for the settlement of dues including investors claims of the defaulting security brokers.

**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 (2021: Rs. 13.09 million) payable to the building contractors.

**23. ADVANCES AND DEPOSITS**

	Note	2022	Consolidated 2021
		----- (Rupees in '000) -----	
Advance rent	20.2	131,213	92,947
Deposit from members against exposure and clearing house		970	970
Retention money & security deposits		10,408	10,530
		142,591	104,447

	Consolidated	
	2022	2021
	----- (Rupees in '000) -----	
<b>24 UNCLAIMED DIVIDEND</b>		
Unclaimed dividend	<u>20,110</u>	<u>14,207</u>
The reconciliation of carrying amount is as follows:		
Opening balance	14,207	8,373
Dividends declared	220,312	121,172
Dividends paid	<u>(214,409)</u>	<u>(115,338)</u>
	<u>20,110</u>	<u>14,207</u>

**25 CONTINGENCIES AND COMMITMENTS****25.1 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 the defaulter 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 31 to these financial statements.

e) Company's share in the contingencies of associates is Rs. 34.8 million (2021: Rs. 34.8 million).

**25.2 Commitments**

a) Company's commitments for capital expenditure are Rs. 34.033 million (2021: Rs. 26.37 million).

b) Company's share in the commitments of associates is Rs. 4.904 million (2021: Rs. 4.904 million).

	Consolidated	
	2022	2021
	----- (Rupees in '000) -----	
<b>26 OPERATING INCOME</b>		
Rental income from investment property	302,942	274,817
Trusteeship business	33,768	24,168
Custodial business	8,727	6,782
Private equity fund fee	3,930	-
Share Registrar Income	171	-
Debt securities trustee income	400	-
Other rental	<u>9,119</u>	<u>8,140</u>
	<u>359,057</u>	<u>313,907</u>

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000) -----	
<b>27 DEPRECIATION AND AMORTIZATION</b>			
Depreciation		48,597	38,553
Amortization		<u>4,706</u>	<u>514</u>
		<u>53,303</u>	<u>39,067</u>
<b>28 OTHER ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits		45,622	30,517
Directors' meeting fee		4,275	3,800
Travelling and lodging		1,843	366
Postage, telephone and fax		614	424
Printing and stationery		1,207	969
Fees and subscription		2	446
Entertainment		1,137	411
Custody charges		64	78
News papers, books and periodicals		65	49
Publicity and advertisements		16	51
Rent, rates and taxes		9,517	5,721
Legal and professional charges		14,100	6,367
Auditors remuneration	28.1	733	1,062
Contract services		477	779
Repairs and maintenance		1,170	803
Seminars, meetings and entertainment		1,595	825
MIS / technology charges		506	1,071
Electricity, gas and water		4,999	3,020
Insurance		2,511	3,268
Written off of fixed assets		68	-
Real estate agent fee		734	238
Corporate social responsibility		1,000	1,000
Miscellaneous		455	965
		<u>92,710</u>	<u>62,230</u>
<b>28.1 Auditors remuneration</b>			
<b>Audit services</b>			
Annual audit fee		555	590
Half yearly review fee		120	120
Special audit fee and Audit fee for staff provident fund		-	310
Out of pocket expenses		<u>58</u>	<u>42</u>
		<u>733</u>	<u>1,062</u>
<b>29. OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Profit on bank deposits and investments		59,584	34,144
Exchange (loss) / gain		106	(22)
Dividend income		15,639	12,873
Capital gain on redemption of investments		-	3
<b>Income from non financial assets:</b>			
Gain on sale of :			
Operating fixed assets	6.1.8	-	417
Room transfer fee		1,698	5,303
Income from branding		1,846	1,237
Asset service charges from tenants/occupants		25,536	24,312
Others	29.1	<u>18,372</u>	<u>15,823</u>
		<u>122,781</u>	<u>94,090</u>
<b>29.1</b>			
This includes car parking fee and split unit charges charged from tenants during the year.			
<b>30. FINANCIAL CHARGES</b>			
This represents bank charges incurred during the year.			

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000) -----	
<b>31. TAXATION</b>			
Current			
For the year		100,743	68,390
For prior year		2,635	-
Tax on Dividend		600	436
Deferred	11.3	9,622	(988)
		<u>113,600</u>	<u>67,838</u>
<b>31.1</b>	Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:		
Accounting profit for the current year		495,339	574,585
Applicable tax rate		29%	29%
Effect of fixed and final tax		-13%	0%
Effect of change in tax rate		4%	0%
Others		1%	-3%
Average effective tax rate		<u>21%</u>	<u>26%</u>
<b>31.2</b>	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.		
<b>31.3</b>	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 Deputy Commissioner Inland Revenue 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 Inland Revenue Appellate Tribunal, which is pending for adjudication.  A rectification application was also filed under section 221 against impugned order of Deputy Commissioner Inland Revenue 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.		
<b>31.4</b>	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.		
<b>31.5</b>	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 Inland Revenue which is pending for		
<b>31.6</b>	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.		
<b>31.7</b>	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.		
<b>31.8</b>	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.		
<b>31.9</b>	The income tax assessment of the Company have been finalized up to and including the tax year 2022. 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.		
<b>31.10</b>	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 favor of the Company.		

	Note	Consolidated	
		2022	2021
		----- (Rupees in '000) -----	
<b>32. EARNINGS PER SHARE</b>			
Profit after tax (Rupees in '000)		381,739	510,132
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>1.04</u>	<u>1.39</u>
<b>32.1</b>	There is no dilutive effect on the basic earnings per share of the Company.		
<b>32.2</b>	Earnings per share comprises as follows:		
Distributable profit			
- Profit before share of associate		0.61	0.64
- Share of the associate		0.13	0.20
		<u>0.74</u>	<u>0.84</u>
Undistributable - unrealised fair value gains	33.2.1	0.30	0.55
		<u>1.04</u>	<u>1.39</u>
<b>33.2.1</b>	Under the provisions of Companies Act, 2017, unrealized gain on fair value of investment property is not distributable as dividend.		
<b>33. ADJUSTMENT FOR NON-CASH CHARGES AND OTHER ITEMS</b>			
Depreciation and amortization	28	40,579	39,067
Profit on bank deposits and investments	29	(59,609)	(34,144)
Exchange loss / (gain)	29	(106)	22
Dividend income	29	(11,638)	(12,873)
Share of profits from associated companies		(50,629)	(73,532)
Gain on sale of operating fixed assets		-	(412)
Fair value gain on investment property	8.1	(108,666)	(201,135)
Provision for gratuity	21	2,985	2,706
Provision for compensated absences	21	873	945
Written off of fixed assets		68	-
Financial charges	31.	58	57
others		10,268	-
		<u>(175,816)</u>	<u>(279,299)</u>
<b>34. FINANCIAL INSTRUMENTS</b>			
<b>34.1 Financial instruments by category</b>			
<b>Financial assets</b>			
<b>Equity investments - FVOCI</b>			
Long term investment	9.2	164,243	144,308
<b>Cash Management Optimizer Fund units -FVTPL</b>			
Short term investment		-	87,088
		<u>164,243</u>	<u>231,396</u>
<b>Amortised cost</b>			
Account receivables - considered good	12.	40,060	48,504
long term deposits		14,883	15,791
Advances - considered good		877	429
Short term investment	15	636,321	559,772
Cash and bank balances	16	154,359	66,743
		<u>846,500</u>	<u>691,239</u>
<b>Financial assets</b>		<u>1,010,743</u>	<u>922,635</u>

Note	Consolidated		
	2022	2021	
	(Rupees in '000)		
<b>Financial liabilities</b>			
<b>Amortised cost</b>			
Accrued and other payables	22	46,935	65,913
Unclaimed dividend		20,110	14,207
Advances and deposits		11,378	104,447
Deferred liabilities		19,439	15,646
<b>Financial liabilities</b>		<b>97,862</b>	<b>200,213</b>

**34.2 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.

**34.3 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.

**34.3.1 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:

	Consolidated	
	2022	2021
	(Rupees in '000)	
Accounts receivables	40,060	48,504
Advances - considered good	877	429
Short term investment	636,321	646,860
Bank balances	154,358	66,658
	<b>831,616</b>	<b>762,451</b>

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

	Consolidated	
	2022	2021
	(Rupees in '000)	
Banks and financial institutions	154,358	66,658
Others	677,258	695,793
	<b>831,616</b>	<b>762,451</b>

**(b) Credit quality of major 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.

**Account 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:

	2022		Consolidated 2021	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Past due 0-50 days	40,060	-	48,504	-
Past due 51 days - 1 year	-	-	-	-
Past Dues 1 year to 2 years	1,255	(1,255)	1,440	(1,440)
	<b>41,315</b>	<b>(1,255)</b>	<b>49,944</b>	<b>(1,440)</b>

Based on past experience, the management believes that no impairment allowance in respect of accounts receivable past due as certain receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amount will be recovered in short period of time.

**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	115,775
Allied Bank Limited	PACRA	A1+	AAA	667
United bank Limited	JCR-VIS	A1+	AAA	21
Summit Bank Limited	JCR-VIS	A1	A-	19
Askari Bank Limited	PACRA	A1+	AA+	18
Bank Alfalah Limited	JCR-VIS	A1+	AA+	2,440
JS Bank Limited	PACRA	A1+	AA-	13,255
National Bank of Pakistan	PACRA	A1+	AAA	22,133
Samba Bank Limited	JCR-VIS	A1	AA	31
				<b>154,359</b>

**(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, 2022.

**34.3.2 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>2022</b>						
Deposits	10,408	(10,408)	(10,408)	-	-	-
Accrued and other	46,505	(46,505)	(46,505)	-	-	-
Deferred liabilities	19,439	(19,439)	(19,439)	-	-	-
Unclaimed dividend	20,110	(20,110)	(20,110)	-	-	-
	<b>96,462</b>	<b>(96,462)</b>	<b>(96,462)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-derivative financial liabilities</b>						
<b>Consolidated</b>						
<b>2021</b>						
Deposits	10,156	(10,156)	(10,156)	-	-	-
Accrued and other liabilities	56,574	(56,574)	(56,574)	-	-	-
Deferred liabilities	15,646	(15,646)	(15,646)	-	-	-
Unclaimed dividend	14,207	(14,207)	(14,207)	-	-	-
	<b>96,583</b>	<b>(96,583)</b>	<b>(96,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>



**34.3.3 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	
2022	2021	2022	2021
Interest rate	Interest rate	(Rupees in '000)	

**Variable rate instruments****Financial assets**

Bank balances	12.25%	5.5%	<u>154,358</u>	<u>66,658</u>
---------------	--------	------	----------------	---------------

**(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			
	2022		2021	
	(Rupees in '000)			
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity - Variable rate instruments	<u>1,544</u>	<u>(1,544)</u>	<u>667</u>	<u>(667)</u>

**35. 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 and the requirements of lender, 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:

	2022	2021
	(Rupees in '000)	
Borrowings	-	-
Total capital	<u>6,411,600</u>	<u>6,158,989</u>
Gearing ratio	<u>0.00%</u>	<u>0.00%</u>

**36. 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:

	2022	2021
	----- (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	3,303	2,966
Amount received from associate against utility charge	(3,832)	(2,660)
Dividend Received	50,664	17,561
<b>Pakistan Mercantile Exchange Limited</b>		
Utility charges	428	349
Amount received from associate	(500)	(336)
<b>Digital Custodian Company limited (DCCL)</b>		
Expenses incurred on behalf of DCCL		(19)
Utility charges	522	107
Amount received from DCCL	(716)	-
<b>Related party transaction with Directors</b>		
Utility charges	5,400	2,134
Amount received from directors	(6,084)	(2,123)
Above transaction relates to the following directors		
Mr. Zahd Latif Khan		0.8%
Mr. Sohail altaf		1.8%
Mr. Mian Hamyun		0.8%
Mr. Adil Khan Swati		1.9%

**37 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 39)". There are no transactions with key management personnel other than under their terms of employment.

**38 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, 2022		June 30, 2021	
Carrying amount	Fair value	Carrying amount	Fair value
----- (Rupees in '000) -----			
<b>Consolidated</b>			
<b>Assets carried at amortized cost</b>			
Receivables	40,060	40,060	48,504
Advances	877	877	429
T-Bills	636,321	636,321	646,860
Cash and bank balances	154,359	154,359	66,743
	<b>831,617</b>	<b>831,617</b>	<b>762,536</b>
<b>Liabilities carried at amortized cost</b>			
Accrued and other payables	53,387	53,387	65,913
Advances and deposits	142,591	142,591	104,447
Unclaimed dividend	20,110	20,110	14,207
	<b>216,088</b>	<b>216,088</b>	<b>184,567</b>

As at June 30, 2022 and June 30, 2021 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.

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

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Assets</b>			
Financial assets at fair value through other comprehensive income	-	-	164,243
<b>As at June 30, 2021</b>			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Assets</b>			
Financial assets at fair value through other comprehensive income	-	-	144,308
Financial assets at fair value through profit and loss	-	-	87,088
	-	-	<b>231,396</b>

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

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Assets</b>			
Investment property carried at fair value	-	-	4,155,638
<b>As at June 30, 2021</b>			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>Assets</b>			
Investment property carried at fair value	-	-	4,046,972

**38.3 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

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

	2022	2021
	----- (Rupees in '000) -----	
Opening balance (level 3 recurring fair values)	4,046,972	3,845,837
Additions - fair value	-	-
Deletion - fair value	-	-
Fair value gain arised during the year	108,666	201,135
Closing balance (level 3 recurring fair values)	<b>4,155,638</b>	<b>4,046,972</b>

**38.5** There were no transfers between levels 2 and 3 for recurring fair value measurements during the year.**38.6** 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.**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.

**38.7 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.

**39 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:

	(Rupees in '000')				(Rupees in '000')			
	2022				2021			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	----- (Rupees in '000) -----							
Managerial remuneration	4,967	-	3,220	8,187	4,066	-	2,683	6,749
Fee	-	4,200	-	4,200	-	2,750	-	2,750
	<b>4,967</b>	<b>4,200</b>	<b>3,220</b>	<b>12,387</b>	<b>4,066</b>	<b>2,750</b>	<b>2,683</b>	<b>9,499</b>
Number of persons	<b>1</b>	<b>10</b>	<b>1</b>	<b>12</b>	<b>1</b>	<b>10</b>	<b>1</b>	<b>12</b>

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

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

**40 NUMBER OF EMPLOYEES**

The Company has following number of employees as at June 30, 2022 and average during the year.

	No. of employees			
	As at June 30, 2022	As at June 30, 2021	Average 2022	Average 2021
Permanent	4	4	4	4
Contractual	20	20	22	22
	<b>24</b>	<b>24</b>	<b>26</b>	<b>26</b>

**41 CORRESPONDING FIGURES**

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

**42 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

Subsequent to the year ended June 30, 2022, the board of directors have proposed final cash dividend for the year ended June 30, 2022 of Rs. 0.65 per share, amounting to Rs.238.67 million at their meeting held on October 24, 2022 for approval of the members at Annual General Meeting to be held on November 21, 2022.

**43 DATE OF AUTHORIZATION**

These financial statements were authorized for issue on October 24, 2022 by the Board of Directors of the Company.

**44 GENERAL**

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



CHAIRMAN



CHIEF EXECUTIVE OFFICER

## Pattern of Shareholding

as at June 30, 2022

# of Shareholders	Shareholdings' Slab		Total Shares Held
7	1	to 100	31.00
1	101	to 500	500.00
14	501	to 1000	12,291.00
18	1001	to 5000	58,470.00
7	5001	to 10000	46,266.00
8	10001	to 15000	100,154.00
2	15001	to 20000	31,381.00
1	20001	to 25000	22,000.00
1	25001	to 30000	26,023.00
1	30001	to 35000	31,500.00
2	35001	to 40000	74,503.00
3	45001	to 50000	150,000.00
1	75001	to 80000	76,361.00
1	80001	to 85000	83,333.00
3	95001	to 100000	300,000.00
1	100001	to 105000	104,654.00
1	105001	to 110000	110,000.00
1	145001	to 150000	150,000.00
1	195001	to 200000	200,000.00
1	205001	to 210000	210,000.00
1	295001	to 300000	298,188.00
1	320001	to 325000	323,265.00
1	395001	to 400000	400,000.00
1	410001	to 415000	413,841.00
1	485001	to 490000	487,428.00
2	495001	to 500000	1,000,000.00
1	685001	to 690000	687,000.00
1	765001	to 770000	767,399.00
1	795001	to 800000	800,000.00
1	995001	to 1000000	1,000,000.00
2	1195001	to 1200000	2,400,000.00
38	1210001	to 1215000	59,475,207.00
3	1330001	to 1335000	4,000,002.00
1	1460001	to 1465000	1,463,841.00
1	1610001	to 1615000	1,610,763.00
1	1700001	to 1705000	1,701,269.00
1	1795001	to 1800000	1,799,000.00
50	1820001	to 1825000	100,141,910.00
1	2345001	to 2350000	2,347,603.00
1	2460001	to 2465000	2,464,603.00
1	2910001	to 2915000	2,914,238.00
1	2925001	to 2930000	2,927,823.00
1	2965001	to 2970000	2,965,397.00
27	3030001	to 3035000	81,933,781.00
1	3125001	to 3130000	3,128,080.00
1	6065001	to 6070000	6,069,206.00
1	6635001	to 6640000	6,639,206.00
1	6840001	to 6845000	6,840,024.00
1	7440001	to 7445000	7,440,470.00
1	12895001	to 12900000	12,897,623.00
1	16980001	to 16985000	16,982,648.00
1	31075001	to 31080000	31,079,681.00
<b>223</b>			<b>367,186,963</b>

## Pattern of Shareholding

as at June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
SARDAR AMAN KHAN	1	100	0.00
ZAHID LATIF KHAN	1	1,000	0.00
FARZIN KHAN	1	5	0.00
SOHAIL ALTAF	1	6,639,206	1.81
FARRUKH YOUNAS KHAN	1	3,070,772	0.84
MALIK QAMAR AFZAL	1	3	0.00
FAROOQ ZAFAR	1	603	0.00
ADIL KHAN SWATI	1	6,940,024	1.89
SHAUZAB ALI	1	3	0.00
<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>	14	29,132,189.00	7.93
<b>Insurance Companies</b>	0	-	-
<b>Modarabas and Mutual Funds</b>	3	3,069,206.00	0.84
<b>General Public</b>			
a. Local	88	97,813,380.00	26.64
b. Foreign	-	-	-
<b>Foreign Companies</b>	-	-	-
<b>OTHERS</b>	106	216,273,028.00	58.90
<b>Totals</b>	<b>223</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 33rd Annual General Meeting of the ISE Towers REIT Management Company Limited scheduled for November 21, 2022 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,

\_\_\_\_\_  
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 33rd Annual General Meeting of ISE Towers REIT Management Company Limited scheduled for November 21, 2022 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 33<sup>rd</sup> Annual General Meeting of the Company to be held on the 21<sup>st</sup> day of November 2022 or at any adjournment thereof.

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

### The Member:

### The Proxy:

Signature:..... Signature: .....

Name: ..... Name: .....

Father's name: ..... Father's name: .....

Participant ID: ..... Participant ID: .....

Address: ..... Address: .....

Date: ..... Date: .....

Witness 1: ..... Witness 2: .....

Signature: ..... Signature: .....

Name: ..... Name: .....

CNIC No.: ..... CNIC No.: .....

Address: ..... 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 on or before 03:30p.m. November 18, 2022.
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.



ISE  
REIT

ISE TOWERS  
55-B JINNAH AVENUE

**ISE Towers REIT Management Company Limited.**



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