

Directors' Report

The Board of Directors of ISE Towers REIT Management Company Limited (the Company) are pleased to present its six-monthly interim report, highlighting financial results and operational performance for the three months ended December 31, 2024.

Financial Overview:

The Company has reported a net profit after tax of Rs. 254.73 million for the period, translating to an earnings per share (EPS) of Rs. 0.69. This represents an 8.1% increase from the comparative profit of Rs. 235.94 million (EPS: Rs. 0.64). Rental income grew by 6.3% to Rs. 197.59 million, up from Rs. 185.88 million in the comparative period. However, other income decreased by 17.5% to Rs. 102.15 million, primarily due to lower profits on bank deposits and investments. This decline is attributed to the decreasing policy rate and heavy capital payments for fire safety installation. Administrative expenses remained within budgetary allocations. As of December 31, 2024, the Company's balance sheet stood strong at Rs. 8,058.07 million.

Business Overview:


Real Estate Investment Trusts (REITs) are transforming Pakistan's real estate sector, providing investors with a stable source of passive income and diversification benefits. As an attractive asset class, REITs cater to both institutional and retail investors, playing a vital role in the country's investment landscape.

The Company is nearing the launch of its inaugural REIT, ISE Towers REIT Scheme. Following successful Trust registration on May 18, 2023, with the Directorate of Industries and Commerce, Sindh, the Company has achieved financial close by December 31, 2023, as mandated by the SECP. The REIT listing is also anticipated shortly with property transfer to the Trust underway. The Company, however, is putting all its efforts in obtaining the completion certificate of ISE Towers.

Following the period end, a new Board of Directors has been elected, bringing fresh perspectives and expertise to the Company. The newly constituted Board has reaffirmed its commitment to expanding the Company's business and has resolved to launch additional REIT Schemes. This strategic initiative aims to build on the momentum of the ISE Towers REIT Scheme, further promoting the Company's growth and diversification.

The Board of Directors wishes to express its deepest gratitude to all stakeholders, including the Government of Pakistan and the Securities & Exchange Commission of Pakistan, for their unwavering support and expert guidance throughout the year. Furthermore, the Board would like to acknowledge and commend the relentless efforts, hard work, and dedication of the Company's staff, whose commitment has been instrumental in driving the Company's progress and success.

On behalf of Board of Directors


Sagheer Mushtaq
Chief Executive


Haroon Ihsan Piracha
Chairman

Islamabad, February 28, 2025



**ISE TOWERS REIT MANAGEMENT COMPANY
LIMITED**

**CONDENSED INTERIM FINANCIAL
STATEMENTS**

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2024**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.


The Board of Directors
ISE Towers REIT Management Company Limited
Islamabad.

January 30, 2025
BDO/Review/1259/2024

**REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
DECEMBER 31, 2024**

Dear Sirs,

We are pleased to enclose herewith two copies of the condensed interim draft financial statements of ISE Towers REIT Management Company Limited (the Company) for the half year ended December 31, 2024 together with our draft review report thereon duly initialled by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the condensed interim financial statements are approved by the Board and signed on their behalf by the Chief Executive and at least one other Director and on receipt/review of the following:

- (a) Letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive and Chief Financial Officer as per draft provided by us.
- (b) Board of Directors' resolution in respect of the following during the period:
 - Additions to operating assets amounting to Rs. 6.916 million;
 - Addition to capital work-in-progress (CWIP) in property and equipment and intangible assets amounting to Rs. 6.317 million and Rs. 0.699 million;
 - Operating assets written off cost amounting to Rs. 0.163 million;
 - Provision for staff retirement benefits - gratuity charged amounted to Rs. 3.287 million;
 - Provision for compensated absences charged amounted to Rs. 0.615 million;
 - Provision for expected credit losses amounting to Rs. 0.095 million;
 - Contributions made to corporate social responsibility fund amounting to Rs. 1 million;
 - Short-term investments made amounting to Rs. 164.148 million;
 - Short-term investments redeemed amounting to Rs. 252.342 million;
 - Transactions with related parties as stated in the note 31 to the condensed interim financial statements;
 - Remuneration of chief executive officer, directors and executives as disclosed in note 31.1 to the condensed interim financial statements; and
 - Asset replacement reserve utilized amounting to Rs. 12.482 million.
- (c) Director's report.
- (d) Tax confirmation from M/S Tauqeer Tanseer & Company. 

(e) Related party confirmations from:

- National Clearing Company of Pakistan Limited
- Pakistan Mercantile Exchange Limited (PMEX)
- Directors

Our observations on this set of condensed interim financial statements are as follows:

1 RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

- 1.1 We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Statements Performed by the Independent Auditor of the Entity'. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- 1.2 The management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.
- 1.3 These draft condensed interim financial statements shall remain and be deemed un-reviewed unless these have been approved by the Board of directors, and signed by the Chief Executive and at least one other Director to do so on its behalf and the review report on these condensed interim financial statements has been signed by us.

2 OTHER INFORMATION

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. We request you to provide us a copy of the "Annual Report" to ensure that it is not materially inconsistent with the financial statements.



3 INVESTMENT PROPERTY

During our review, we noted that the investment property has been carried at its revalued amount as disclosed in the audited financial statements for the year ended June 30, 2024. The revaluation was performed on June 28, 2024. As per management, there is no material change in market value of investment property. Kindly confirm representation made by the management.


4 DEFERRED TAXATION

The Company is in process to launch its first Rental scheme which will impact the revenue pattern of the company. Therefore, net deferred tax asset has been recognized on the basis of next year's expected profitability. Net Deferred tax asset amounting to Rs. 49.984 million has not been recognized as management believes that deferred tax asset carried in financial statements is based on carry forward losses and future projections of profit. Kindly confirm representation made by the management.

5 UNCLAIMED DIVIDEND

As per section 244 (3) of the Companies Act, 2017 the company is required to transfer the unclaimed dividend over 3 years to Federal Government after ninety days from issuance of notices to the shareholders, the unclaimed or unpaid amount as well as the proceeds from the sale of shares or modaraba certificates or any other instrument or any benefit accrued thereon, as the case may be. These amounts shall be maintained in a profit bearing account to be called "Companies Unclaimed Instruments and Dividend and Insurance Benefits and Investors Education Account". In compliance to this regulation, the Company has maintained a profit bearing account in Muslim Commercial Bank Limited in this respect. Kindly confirm this is in order.

6 LONG TERM INVESTMENTS

We have not been provided with the latest financial statements of Central Depository Company of Pakistan Limited (CDC) and VIS Credit Rating Company Limited (VIS) for the period ended December 31, 2024. Therefore, the balance of long term investment in CDC and VIS have been presented based upon their audited accounts for the year ended June 30, 2024. As per management, there is no material change in the balances during the half year period. Please confirm this is in order. 

7 LONG OUTSTANDING BALANCES

The following balances are overdue as mentioned below:

Account head	Balance over one year	Balance over two years	Balance over three years
	-----Rupees-----		
Advance to Contractors	2,897,720	57,112	252,948
Payable to contractors	-	-	13,122,647
Other payables	-	349,680	2,444,687
Corporate social responsibility	402,022	876,461	4,979,784
Receivable - Ise Members (Others)	-	-	186,438
Payable to sublessee	-	-	11,375,009

We recommend that these balances should be scrutinized and adjusted in books of accounts after due verification.

8 INSURANCE COVERAGE

As per Section 9 of NBFC Rules 2003, NBFC shall obtain sufficient insurance coverage from an insurance company rated minimum A- by a credit rating agency registered with the Commission against any losses that may be incurred as a result of employee's fraud or gross negligence. The NBFC shall make disclosure about the insurance coverage in its financial statements. During our review, we noted that no such insurance coverage has been obtained by the Company. We recommend management to ensure compliance with the regulation in order to avoid revocation of NBFC license.

9 IFRS SUSTAINABILITY DISCLOSURE STANDARDS IN PAKISTAN

The ESG (Environmental, Social and Governance) considerations have become increasingly important for companies in recent years as awareness among investors and stakeholders have been on the rise owing to the significant impact of E, S and G factors on the climate, society, and corporate governance. It is pertinent to mention that governance disclosures are already focus of regulatory disclosure requirements are predominately covered under the Listed Companies (Code of Corporate Governance) Regulations, 2019 subject to regulatory filings. There is also increasing investor expectations for disclosure on E&S governance, including how the board provides oversight of material E&S factors, how E&S factors are integrated into company strategy, how E&S is taken into account in the board skills matrix and director education, and the linkage of executive compensation to E&S metrics and targets.



Integrating sustainability considerations into business operations can assist businesses in mitigating risks, improving reputation, offering sustainable products/services and creating long-term value for stakeholders.

The Securities and Exchange Commission of Pakistan issued an ESG Regulatory Roadmap in June 2022 outlining actions ranging from creating awareness, discussing disclosures needs, development of ESG focused products leading to an overall impact assessment in a phased manner.

The Institute of Chartered Accounts of Pakistan has also established a working group "Study, Consultation and Recommendations for Implementation in Pakistan" which has proposed adoption of IFRS S1 and S2. All companies, subject to fulfillment of criteria given below, shall publish sustainability reports in accordance with IFRS Sustainability Disclosure Standards:

Phase I - period beginning on or after January 1, 2024

Turnover greater than Rs. 25 billion in last two consecutive financial years as per their financial statements; or
employees (permanent and contractual) greater than 1000 in number; or
Total assets greater than Rs. 12.5 billion

Phase II - period beginning on or after January 1, 2025

Turnover greater than Rs. 12.5 billion in last two consecutive financial years as per their financial statements; or
employees (permanent and contractual) greater than 500 (in number); or
Total assets greater than Rs. 6.25 billion

Phase III - period beginning on or after January 1, 2026

Only Listed Companies (other than those falling in Phase I and Phase II above).

As these IFRS Sustainability Disclosure Standards are yet to be adopted/implemented, this necessitates a comprehensive understanding and preparedness of the Company to seamlessly transition into the new era of sustainability reporting. Therefore, we recommend that appropriate steps should be taken in this regard.

10 ANTI-MONEY LAUNDERING AND TERRORIST FINANCING POLICIES AND CONTROLS

We recommend that based on general guidelines of AML/TF the Company must frame its AML/CFT Risk and Compliance Policy, which shall be approved by the Board of Directors and be publicly made available. The Company shall review the said policy on an annual basis. The management must communicate updated version of the policy clearly to all employees on an annual basis along-with statement from the chief executive officer.



Further, the management must take appropriate steps to identify and assess the ML/ TF risks for suppliers, customers and employees (including persons, group of persons and organizations, etc.), country specific or geographic areas, services transactions and delivery channels. The management must also consider to establish an independent and well-resourced compliance function within the Company to achieve the objective of AML/CFT Risk and Compliance Policy.

Based on a risk-based approach, the Company may consider forming an independent oversight committee of its operations, and each Company must select the oversight structure, which best suits its needs.

11 SUBSEQUENT EVENTS

We have been informed by the management that there were no subsequent events that would have financial reporting implications or required disclosure in these condensed interim financial statements.

12 COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations that would have financial reporting implications. Kindly confirm the representation made by the management.

13 CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingencies and commitments as on the date of the condensed interim financial statements, other than those disclosed in the notes to the condensed interim financial statements. Kindly confirm the representation made by the management.

14 INDEPENDENCE

We confirm that in our professional judgment, the Firm is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

15 RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the condensed interim financial statements. Kindly confirm the representation made by the management.



16 FRAUD AND ERROR

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the period. Kindly confirm the representations made by management.

We wish to place on record our appreciation of the courtesy and co-operation extended to us during the course of the interim review.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'BDO Ebrahim & Co.', is written over a faint, larger blue signature.

BDO EBRAHIM & CO.

Enclosed as above

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

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ISE Towers REIT Management Company Limited ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (herein after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Financial Reporting Standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.





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

ISLAMABAD

DATED: FEBURARY 28, 2025
UDIN: AR202410060yaY4EufJw

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		(Un-audited) December 31, 2024 Rupees '000	(Audited) June 30, 2024 Rupees '000
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	1,282,015	1,292,152
Intangible assets	7	2,583	1,896
Investment property	8	5,233,505	5,233,505
Long term investments	9	698,272	633,053
Long term advances and deposits	10	55,166	68,217
Deferred taxation		15,572	14,544
		<u>7,287,113</u>	<u>7,243,367</u>
CURRENT ASSETS			
Receivables	11	66,091	64,733
Advances and prepayments	12	13,572	7,317
Short term investment	13	629,158	693,538
Cash and bank balances	14	62,132	79,609
		<u>770,953</u>	<u>845,198</u>
TOTAL ASSETS		<u><u>8,058,066</u></u>	<u><u>8,088,565</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital 700,000,000 (2024: 700,000,000) ordinary shares of Rs. 10 each		<u>7,000,000</u>	<u>7,000,000</u>
Share capital	15	3,671,870	3,671,870
Surplus on revaluation of property and equipment		438,200	442,831
Reserves	16	227,321	205,755
Accumulated profits		<u>3,418,745</u>	<u>3,419,627</u>
		<u>7,756,136</u>	<u>7,740,083</u>
NON-CURRENT LIABILITIES			
Long term deposits	17	24,594	23,553
Deferred liabilities	18	22,259	32,509
		<u>46,853</u>	<u>56,062</u>
CURRENT LIABILITIES			
Accrued and other payables	19	77,859	73,220
Advances and deposits	20	93,555	155,225
Tax payable to government	21	44,880	31,663
Unclaimed dividend	22	38,783	32,312
		<u>255,077</u>	<u>292,420</u>
TOTAL EQUITY AND LIABILITIES		<u><u>8,058,066</u></u>	<u><u>8,088,565</u></u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
		Rupees '000	Rupees '000	Rupees '000	Rupees '000
Income					
Operating income	24	197,587	185,879	99,630	93,083
Administrative expenses					
Depreciation / amortization	25	(23,382)	(22,909)	(11,718)	(11,355)
Other administrative expenses		(32,289)	(26,829)	(17,522)	(15,734)
		(55,671)	(49,738)	(29,240)	(27,089)
Other operating income	26	102,150	123,822	52,807	60,421
Fair value gain on investments classified at FVTPL		12,727	104	12,727	-
Financial charges		(440)	(51)	(13)	(37)
Operating profit		<u>256,353</u>	<u>260,016</u>	<u>135,911</u>	<u>126,378</u>
Share of profits from associated companies		90,319	51,412	64,347	31,432
Profit before final tax and taxation		<u>346,672</u>	<u>311,428</u>	<u>200,258</u>	<u>157,810</u>
Final tax	27	(6,620)	(825)	(6,620)	(825)
Profit before taxation		<u>340,052</u>	<u>310,603</u>	<u>193,638</u>	<u>156,985</u>
Taxation	28	(85,327)	(74,660)	(50,160)	(43,021)
Profit after taxation		<u>254,725</u>	<u>235,943</u>	<u>143,478</u>	<u>113,964</u>
Earnings per share - basic and diluted	29	<u>0.69</u>	<u>0.64</u>	<u>0.39</u>	<u>0.31</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Six months ended December 31,		Three months ended December 31,	
2024	2023	2024	2023
Rupees'000	Rupees'000	Rupees'000	Rupees'000

Profit after taxation	254,725	235,943	143,478	113,964
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Other comprehensive income

**Items that will not be reclassified subsequently to
statement of profit or loss:**

Surplus on remeasurement of FVOCI investments	-	16,407	(297)	9,263
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Total comprehensive income

254,725	252,350	143,181	123,227
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The annexed notes from 1 to 36 form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Capital reserve				Revenue reserves				Total
	Issued, subscribed and paid up capital	Revaluation surplus on property and equipment	Reserve for replacement of fixed assets	Total capital reserves	Surplus on remeasurement of FVTOCI investments to fair value	Unappropriated profit	Total revenue reserves		
(Rupees '000)									
Balance as at June 30, 2023 (Audited)	3,671,870	430,096	150,627	580,723	120,195	3,161,203	3,281,398	7,533,991	
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	235,943	235,943	235,943	
Amount collected for assets replacement reserve	-	-	25,638	25,638	-	(25,638)	(25,638)	-	
Amount utilized from assets replacement reserve			(106,852)	(106,852)	-	106,852	106,852	-	
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(4,002)	-	(4,002)	-	4,002	4,002	-	
Surplus on remeasurement of FVTOCI investment	-	-	-	-	16,407	-	16,407	16,407	
Transaction with owners								-	
Final dividend for the year ended June 30, 2023 at Rs. 0.93 per share	-	-	-	-	-	(341,484)	(341,484)	(341,484)	
Balance as at December 31, 2023 (Un-audited)	3,671,870	426,094	69,413	495,507	136,602	3,140,878	3,277,480	7,444,857	
Balance as at June 30, 2024 (Audited)	3,671,870	442,831	56,454	499,285	149,301	3,419,627	3,568,928	7,740,083	
Total comprehensive income for the period:									
Profit for the period after taxation	-	-	-	-	-	254,725	254,725	254,725	
Amount collected for assets replacement reserve	-	-	34,048	34,048	-	(34,048)	(34,048)	-	
Amount utilized from assets replacement reserve	-	-	(12,482)	(12,482)	-	12,482	12,482	-	
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred tax	-	(4,631)	-	(4,631)	-	4,631	4,631	-	
Transaction with owners									
Final dividend for the year ended June 30, 2024 at Rs. 0.65 per share	-	-	-	-	-	(238,672)	(238,672)	(238,672)	
Balance as at December 31, 2024 (Un-audited)	3,671,870	438,200	78,020	516,220	149,301	3,418,745	3,568,046	7,756,136	

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Six months ended December 31, 2024	Six months ended December 31, 2023
	Note	Rupees '000	Rupees '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		346,672	311,428
Adjustment for non-cash charges and other items	30	(151,252)	(125,502)
		195,420	185,926
Changes in working capital			
(Increase) / decrease in current assets			
Receivables		(1,358)	4,252
Advances and prepayments		(6,255)	(2,862)
		(7,613)	1,390
Increase / (decrease) in current liabilities			
Accrued and other payables		4,639	4,076
Advances and deposits		(61,670)	(62,034)
		(57,031)	(57,958)
Cash generated from operations		130,776	129,358
Long term advance		13,051	128
Payment for gratuity		(12,305)	-
Payment for compensated absences		(1,847)	-
Income tax paid		(79,758)	(46,656)
Net cash generated from operating activities		49,917	82,830
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(13,932)	(72,952)
Interest received		45,664	108,432
Investment encashed during the period - net		88,337	212,149
Dividend received		44,137	6,369
Net cash generated from investing activities		164,206	253,998
CASH FLOW FROM FINANCING ACTIVITIES			
Advances, deposits and other receipts		1,041	322
Dividend paid		(232,201)	(341,591)
Financial charges paid		(440)	(51)
Net cash used in financing activities		(231,600)	(341,320)
Net decrease in cash and cash equivalents		(17,477)	(4,492)
Cash and cash equivalents at beginning of the period		79,609	83,008
Cash and cash equivalents at end of the period	14	62,132	78,516

The annexed notes from 1 to 36 form an integral part of these financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

1 CORPORATE AND GENERAL INFORMATION

- 1.1 ISE Towers REIT Management Company Limited ("the Company") was incorporated initially as Islamabad Stock Exchange (Guarantee) limited (ISE) in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) for the purpose of carrying out business of stock exchange. On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), was converted into a public company limited by shares on issuance of certificate of re-registration by the Registrar of Companies.
- 1.2 ISE entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE) with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Accordingly the ISE proposed a scheme of integration in its AGM on October 27, 2015 to shift the stock exchange related business, the core business of the ISE, to PSX and to change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP).
- 1.3 SECP has approved the scheme of integration under Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act) through its order number 01/2016 dated January 11, 2016. As a consequence of this approval of integration, the name and scope of the ISE has been changed. The new name of the Company is "ISE Towers REIT Management Company Limited" which has been licensed as Non-Banking Finance Company.
- 1.4 On January 11, 2016, ISE changed its name and scope of business and got converted from ISE to a REIT Management Company under the repealed Companies Ordinance, 1984, as a consequence of Securities and Exchange Commission of Pakistan's approval of scheme of integration under the Act and accordingly, the agreed assets / liabilities of stock exchange business were transferred to PSX with effect from January 11, 2016. The Company is licensed as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 by Securities and Exchange Commission of Pakistan to form and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2022.
- 1.5 The principal activities of the Company is to launch and manage Real Estate Investment Trust (REIT) under REIT Regulations, 2022.

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

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

2 BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements of the company for the six month ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

The disclosures in these interim financial statements do not include those reported for annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended June 30, 2024. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2024, whereas comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited interim financial statements for the six months period ended 31 December 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2024.

3.1 Changes in accounting standards, interpretations and pronouncements

- a) **Amendments to published accounting and reporting standards which became effective during the period:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements. *sdm*

b) Amendments to published accounting and reporting standards that are not yet effective and have not been early adopted by the Company:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting period beginning on or after January 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 KEY JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2024.

6 PROPERTY AND EQUIPMENT

		(Un-audited) December 31, 2024 Rupees '000	(Audited) June 30, 2024 Rupees '000
	Note		
Operating assets	6.1	1,139,087	1,155,541
Capital work in progress-CWIP	6.2	142,928	136,611
		<u>1,282,015</u>	<u>1,292,152</u>

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6.1 OPERATING ASSETS

Description	Leasehold land	Building on leasehold land	Electrical Equipment	HVAC Equipment	Plumbing Installations	Elevators	Security equipment	IT equipment	Security systems	Furniture and fixture	Office equipment	Vehicles	Computers & accessories	Total
(Rupees in '000)														
Net carrying value basis														
Period ended December 31, 2024														
Opening net book value (NBV)	663,602	380,206	18,943	3,091	2,481	69,469	8,602	1,348	281	2,879	2,320	1,983	334	1,155,541
Additions (at cost)	-	-	5,640	-	-	-	506	-	19	-	462	-	290	6,916
Assets written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	147	-	-	-	-	-	-	-	1	-	15	163
Accumulated depreciation	-	-	(147)	-	-	-	-	-	-	-	(1)	-	(15)	(163)
Depreciation charge	(4,424)	(7,455)	(1,353)	(476)	(129)	(6,521)	(1,611)	(277)	(118)	(333)	(2,10)	(340)	(122)	(23,370)
Net book value - (Un-audited)	659,178	372,751	23,230	2,615	2,352	62,948	7,497	1,071	182	2,546	2,572	1,643	502	1,139,087
Gross carrying value basis														
Period ended December 31, 2024														
Cost/revalued amount	663,602	380,206	94,226	158,057	8,110	130,464	24,924	13,687	7,759	9,052	5,360	7,281	4,593	1,507,321
Accumulated depreciation	(4,424)	(7,455)	(70,996)	(155,442)	(5,758)	(67,516)	(17,427)	(12,616)	(7,577)	(6,506)	(2,788)	(5,638)	(4,091)	(368,234)
Net book value - (Un-audited)	659,178	372,751	23,230	2,615	2,352	62,948	7,497	1,071	182	2,546	2,572	1,643	502	1,139,087
Net carrying value basis														
Year ended June 30, 2024														
Opening net book value (NBV)	663,602	376,180	12,197	4,125	-	82,511	10,831	332	570	3,485	2,124	3,429	329	1,159,716
Additions (at cost)	-	-	7,231	-	1,036	-	969	1,317	123	9	556	-	253	11,493
Transfers from CW/IP	-	-	1,401	-	1,553	-	261	-	-	75	-	-	-	3,290
Revaluation adjustment for the year	8,732	18,219	-	-	(108)	(13,042)	(3,459)	(301)	(412)	(690)	(360)	(1,446)	(247)	(26,951)
Depreciation charge	(8,732)	(14,194)	(1,887)	(1,034)	(108)	(13,042)	(3,459)	(301)	(412)	(690)	(360)	(1,446)	(247)	(45,910)
Net book value - (Audited)	663,602	380,206	18,943	3,091	2,481	69,469	8,602	1,348	281	2,879	2,320	1,983	334	1,155,541
Gross carrying value basis														
Year ended June 30, 2024														
Cost/revalued amount	663,602	376,180	88,733	158,057	8,110	130,464	24,418	13,687	7,740	9,052	4,899	7,281	4,318	1,496,543
Revaluation adjustment for the year	8,732	18,219	-	-	-	-	-	-	-	-	-	-	-	26,951
Accumulated depreciation	(8,732)	(14,194)	(69,790)	(154,966)	(5,629)	(60,995)	(15,816)	(12,339)	(7,459)	(6,173)	(2,579)	(5,298)	(3,984)	(367,953)
Net book value - (Audited)	663,602	380,206	18,943	3,091	2,481	69,469	8,602	1,348	281	2,879	2,320	1,983	334	1,155,541
Depreciation rate per annum/useful life	99 years	2.5%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%	

(Un-audited)	(Audited)
December 31,	June 30,
2024	2024
(Rupees in '000)	

6.2 Capital work in progress-CWIP

Life support System / Life safety system

Opening balance	136,611	31,551
Additions	30,984	105,060
Transfers to property and equipment	-	-
Balance	167,595	136,611
Less:		
Contribution from sub lessees	(24,667)	-
Net balance	142,928	136,611

- 6.2.1 This represents capital work in progress against the life safety system. This project aims to enhance the overall safety and value of the ISE building upon completion. The total estimated contract value for the project is Rs. 272 million, of which Rs. 168 million represents 62% completion as at financial position date.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2024	2024
Note	----- (Rupees in '000) -----	

7 INTANGIBLE ASSETS

Computer software - in use	7.1	46	58
Capital work in progress - computer software	7.2	2,537	1,838
		2,583	1,896

- 7.1 The movement in this head is as follows:

Opening balance	58	124
Addition	-	70
Amortization	(12)	(136)
Closing balance	46	58

- 7.2 This represents Building Management System (BMS), which is under testing phase. The total contract value amounts to Rs. 3.5 million of which Rs. 2.6 million represents 72% of completion as at financial position date.

8 INVESTMENT PROPERTY

This represents office spaces in ISE Towers held to earn rentals and for capital appreciation. The carrying value of investment property is the fair value of the property based on the valuation carried by approved independent valuer Asif Associates (Private) Limited on June 28, 2024. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition. There has been no material change in valuation during the period.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
9 LONG TERM INVESTMENTS			
Equity method - Associated Companies	9.1	473,552	431,833
Fair value through other comprehensive income	9.2	201,220	201,220
Fair value through profit or loss	9.3	23,500	-
		<u>698,272</u>	<u>633,053</u>

9.1 Equity method - Associated Companies

National Clearing Company of Pakistan Limited (NCCPL)		333,885	309,073
Pakistan Mercantile Exchange Limited (PMEX)		139,667	109,460
Digital Custodian Company Limited (DCCL)	9.1.2	-	13,300
	9.1.1	<u>473,552</u>	<u>431,833</u>

9.1.1 The balances of long term investments in NCCPL and PMEX have been presented based on management accounts for the period ended December 31, 2024.

9.1.2 During the period, the investment in DCCL was reclassified from "Long-term Investments - Equity Method" to "Long-term Investments - Measured at Fair Value Through Profit or loss". This change is due to cessation of common directorship between the Company and DCCL, resulting in the loss of significant influence over DCCL. The investments are now held for trade.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
9.2 Fair value through other comprehensive income			
Central Depository Company of Pakistan Limited (CDC)	9.2.1	190,483	190,483
VIS Credit Rating Company Limited (VIS)	9.2.2	10,737	10,737
	9.2.3	<u>201,220</u>	<u>201,220</u>

9.2.1 Central Depository Company of Pakistan Limited

Investment - at cost		47,163	47,163
Fair value adjustment		143,320	143,320
		<u>190,483</u>	<u>190,483</u>

9.2.2 VIS Credit Rating Company Limited (VIS)

Investment - at cost		4,756	4,756
Fair value adjustment		5,981	5,981
		<u>10,737</u>	<u>10,737</u>

9.2.3 The balances of investment in CDC and VIS are based on their audited accounts for the year ended June 30, 2024.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
9.3 Fair value through profit or loss			
9.3.1 Digital Custodian Company Limited (DCCL)			
Investment - at cost		9,969	-
Fair value adjustment		13,531	-
	9.1.2	<u>23,500</u>	<u>-</u>
10 LONG TERM ADVANCES AND DEPOSITS			
Advances to:			
Staff		1,204	-
Contractors	10.1	39,183	53,438
Deposits with:			
Islamabad Electric Supply Company Limited		11,878	11,878
Sui Northern Gas Pipelines Limited		2,650	2,650
Others		251	251
		<u>55,166</u>	<u>68,217</u>
10.1 This represents unsecured advances to contractors against ongoing fire and safety projects as per contractual terms. The advances shall be capitalized upon execution of corresponding work in progress.			
		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
11 RECEIVABLES			
Considered good			
Rent receivable		23	124
Receivable from building occupants	11.1	46,624	45,762
Receivable from REIT scheme		18,280	18,107
Due from sub lessee		500	500
Others		664	240
		<u>66,091</u>	<u>64,733</u>
Considered doubtful based on expected credit loss		833	738
		<u>66,924</u>	<u>65,471</u>
Allowance for expected credit loss	11.2	(833)	(738)
		<u>66,091</u>	<u>64,733</u>

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

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
11.2 Expected credit loss			
Opening balance		738	1,255
Charge / (reversals) for the period/year		95	(517)
Closing balance		<u>833</u>	<u>738</u>

12 ADVANCES AND PREPAYMENTS

Considered good

Advances to staff		1,814	604
Advances to contractors	12.1	8,098	6,527
Prepayments		3,660	186
Considered doubtful based on expected credit loss (ECL)		<u>225</u>	<u>225</u>
		13,797	7,542
Allowance for expected credit loss (ECL)		<u>(225)</u>	<u>(225)</u>
		<u>13,572</u>	<u>7,317</u>

- 12.1 This represents advances given to various parties which mainly include amount Rs. 3.469 million to M/S. Mistiqube Engineering for purchase of PVC fills of HVAC cooling tower and Rs. 3.035 million to M/S. Islamabad Industrial Trading Corporation for purchase of spare parts of elevators.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
13 SHORT TERM INVESTMENT			
Investment held at amortized cost:			
Treasury Bills	13.1	535,863	693,538
Investment held at FVTPL:			
Investment in mutual funds-conventional			-
-MCB Cash Management Optimizer	13.2	57,743	-
-HBL Government Securities Fund	13.2	35,552	-
		<u>629,158</u>	<u>693,538</u>

- 13.1 This represents investment in treasury bills (T-Bills) having maturity between May 02, 2025 to November 27, 2025 and carries yield rate of 12.10% to 20.83% per annum (June 30, 2024: 18.49% to 21.26%).

- 13.2 The Company has made investments in units of HBL and MCB mutual funds during the period. The fair value of the units has been determined based on the net asset value (NAV) of the respective fund.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
14 CASH AND BANK BALANCES			
Cash at banks			
Saving accounts-conventional			
- Local currency	14.1, 14.2 & 14.3	62,098	79,585
		62,098	79,585
Cash in hand		34	24
		62,132	79,609

- 14.1 Balances in saving accounts carry effective interest rate of 13.5% (June 30, 2024: 20.5%) per annum.

- 14.2 This includes Rs. 0.970 million (June 30, 2024: Rs. 0.970 million) against outstanding balances of "deposits from members against exposure and clearing house deposit" and Rs. 19.581 million (June 30, 2024: Rs.18.803 million) against security deposits and retention money maintained in a separate bank account.

- 14.3 This includes a sum of Rs. 38.783 million reserved for dividend payable maintained in a separate bank account.

15 SHARE CAPITAL

15.1 Authorized share capital

- 15.1.1 Authorized share capital represents 700,000,000 (June 30, 2024: 700,000,000) ordinary shares of Rs. 10 each amounting to Rs. 7,000,000,000 (June 30, 2024: Rs. 7,000,000,000).

15.2 Issued, subscribed and paid up capital:		(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- (Rupees in '000) -----	
Number of ordinary shares of Rs.10/-each			
December 31, 2024	June 30, 2024		
367,186,963	367,186,963	Ordinary shares issued for consideration other than cash.	
		3,671,870	3,671,870

- 15.3 All ordinary shares rank equally in all respect with regard to the company's residual assets, entitled to dividend voting rights and block voting etc.
- 15.4 As disclosed, in note 1.4, the shares of the Company were issued against net assets of the ISE at the time of conversion of the Company from Guarantee limited to REIT Management Company.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
16 RESERVES			
Fixed assets replacement - capital reserve	16.1	78,020	56,454
Surplus on remeasurement of equity investments- FVTOCI - revenue reserve		149,301	149,301
		<u>227,321</u>	<u>205,755</u>

16.1 Movement in Fixed assets replacement - capital reserve:

Opening balance	56,454	150,627
Contribution made during the period/year	34,048	55,012
Utilized during the period/year	(12,482)	(149,185)
Closing balance	<u>78,020</u>	<u>56,454</u>

16.1.1 Reserve for replacement of fixed assets

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

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
17 LONG TERM DEPOSITS			
Security deposits	17.1	<u>24,594</u>	<u>23,553</u>

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

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
18 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity		16,854	25,871
Compensated absences		5,405	6,638
		<u>22,259</u>	<u>32,509</u>
19 ACCRUED AND OTHER PAYABLES			
Payable on account of security brokers in default		40,315	34,786
Payable to sub lessee		11,375	11,375
Accrued liabilities		14,549	16,118
Audit fee payable		160	460
Corporate social responsibility	19.1	6,409	6,508
Other payables		5,051	3,973
		<u>77,859</u>	<u>73,220</u>
19.1	During the period, a contribution of Rs. 1 million has been made to the CSR fund, out of fund an amount of Rs. 1.09 million has been utilized as annual scholarship payments.		
		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
20 ADVANCES AND DEPOSITS			
Advance rent		73,004	137,128
Deposit from security brokers against exposure and clearing house		970	970
Retention money and security deposits		19,581	17,127
		<u>93,555</u>	<u>155,225</u>
21 TAX PAYABLE TO GOVERNMENT			
Income tax- opening		31,663	10,403
Provision for taxation for the period /year	27 & 28	92,975	130,382
		<u>124,638</u>	<u>140,785</u>
Advance - Income tax paid during the period/year		(79,758)	(109,122)
Income tax- closing		<u>44,880</u>	<u>31,663</u>

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
		----- (Rupees in '000) -----	
22	UNCLAIMED DIVIDEND		
	Unclaimed dividend	<u>38,783</u>	<u>32,312</u>
22.1	The reconciliation of carrying amount is as follows:		
	Opening balance	32,312	25,303
	Dividends declared	238,672	488,359
	Dividends paid	<u>(232,201)</u>	<u>(481,349)</u>
	Closing balance	<u>38,783</u>	<u>32,312</u>

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

a) Legal case against the Company:

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2024.

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

There has been no significant change in the status of contingent liabilities disclosed as at June 30, 2024.

c) Tax contingencies:

There has been no significant change in the status of tax contingencies disclosed as at June 30, 2024.

23.2 Commitments

Company's commitments for capital expenditure are Rs. 91.22 million (June 30, 2024:Rs. 117.97 million).

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	Note	Six months ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
		Rupees '000	Rupees '000	Rupees '000	Rupees '000
24 OPERATING INCOME					
Rental income from investment property		192,800	181,302	97,214	90,779
Other rentals		4,787	4,577	2,416	2,304
		<u>197,587</u>	<u>185,879</u>	<u>99,630</u>	<u>93,083</u>
25 OTHER ADMINISTRATIVE EXPENSES					
Salaries and benefits		14,370	12,514	8,239	7,027
Directors' meeting fee		2,250	875	1,650	450
Travelling and lodging		26	155	8	124
Postage, telephone and fax		272	303	157	174
Printing and stationery		740	1,129	649	977
News papers, books and periodicals		46	39	23	21
Publicity and advertisements		92	36	92	5
Rent, rates and taxes		1,894	2,026	912	1,043
Legal and professional charges		4,353	1,793	1,564	1,249
Auditors' remuneration	25.1	262	209	213	171
Contract services		267	236	129	118
Repairs and maintenance		420	243	323	142
Meetings and entertainment		1,104	932	577	601
MIS / technology charges		390	623	200	346
Electricity, gas and water		2,557	2,578	914	1,115
Insurance		1,293	1,234	648	598
Provision for doubtful debt- ECL		95	1,261	95	1,261
Training		172	-	-	-
Real estate agent fee		489	-	489	-
Corporate social responsibility		1,000	500	500	250
Miscellaneous		197	143	140	62
		<u>32,289</u>	<u>26,829</u>	<u>17,522</u>	<u>15,734</u>
25.1 Auditors remuneration					
Half yearly review fee		160	150	160	150
Out of pocket expenses		102	59	53	21
		<u>262</u>	<u>209</u>	<u>213</u>	<u>171</u>
26 OTHER OPERATING INCOME					
Income from financial assets:					
Profit on bank deposits & investment		67,092	94,124	30,908	43,097
Exchange (loss)/gain		-	(3)	-	(3)
Dividend from equity investments		8,838	5,498	8,838	5,498
Dividend from mutual funds		-	871	-	-
Income from non-financial assets:					
Room transfer fee		-	412	-	412
Income from branding		495	495	248	248
Asset service charges from tenants/occupants		17,024	12,819	8,490	6,410
Others	26.1	8,701	9,606	4,323	4,759
		<u>102,150</u>	<u>123,822</u>	<u>52,807</u>	<u>60,421</u>

- 26.1 This includes car parking fee amounting to Rs. 5 million and split unit charges amounting Rs. 1.720 million.

Six months ended December 31,		Three months ended December 31,	
2024	2023	2024	2023
Rupees '000	Rupees '000	Rupees '000	Rupees '000

27 FINAL TAX

Final tax	6,620	825	6,620	825
-----------	-------	-----	-------	-----

- 27.1 This represents portion of final tax paid under section 150 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

- 27.2 Reconciliation between current tax charged under the Income Tax Ordinance, 2001 with current tax recognized in the statement of profit or loss, is as follows:

Six months ended December 31,		Three months ended December 31,	
2024	2023	2024	2023
Rupees '000	Rupees '000	Rupees '000	Rupees '000

Current tax liability for the period	91,191	76,302	55,538	44,209
Portion of current tax liability as per tax laws, representing income tax under IAS 12	84,571	75,477	48,918	43,384
Final tax	6,620	825	6,620	825

28 TAXATION

Current	84,571	75,477	48,918	43,384
Prior	1,784	-	1,784	-
	86,355	75,477	50,702	43,384
Deferred tax	(1,028)	(817)	(542)	(363)
	85,327	74,660	50,160	43,021

29 EARNINGS PER SHARE -BASIC AND DILUTED

Profit after tax (Rupees)	254,725,000	235,943,000	143,478,000	113,964,000
Weighted average number of ordinary shares (Number)	367,186,963	367,186,963	367,186,963	367,186,963
Basic and diluted earnings per share (Rupees)	0.69	0.64	0.39	0.31

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	(Un-audited) December 31, 2024 Rupees'000	(Un-audited) December 31, 2023 Rupees'000
30 ADJUSTMENT FOR NON-CASH CHARGES AND OTHER ITEMS		
Depreciation/amortization	23,382	22,909
Profit on bank deposits & investments	(67,092)	(94,124)
Exchange loss/(gain)	-	3
Dividend income	(8,838)	(6,369)
Fair value gain on investments	(12,727)	-
Share of profits from associates	(90,319)	(51,412)
Provision for gratuity	3,287	2,841
Provision for compensated absences	615	599
Financial charges	440	51
	<u>(151,252)</u>	<u>(125,502)</u>

31 RELATED PARTY TRANSACTIONS

Related parties include associated companies, directors and key management personnel. Investments in and balances with associated companies and other related parties are disclosed in the relevant notes to these financial statements. Transactions with related parties are as follows:

	(Un-audited) December 31, 2024 Rupees '000	(Un-audited) December 31, 2023 Rupees '000
Transactions with associates		
Associate companies (related parties by virtue of common directorship)		
National Clearing Company of Pakistan Limited		
Utility charges	2,230	3,974
Amount received against utility charges	(2,354)	(3,871)
Dividend Received	35,299	17,666
Closing balance against utilities	285	410
Pakistan Mercantile Exchange Limited (PMEX)		
Utility Charges	366	619
Amount received against utility charges	(368)	(607)
Rent received	1,473	2,702
Closing balance against utilities	55	57

(Un-audited)	(Un-audited)
December 31,	December 31,
2024	2023
Rupees '000	Rupees '000

Transaction with directors

Utility charges	2,946	2,427
Amount received against utility charges	(2,972)	2,372
Closing balance against utilities	438	464

31.1 Remuneration of chief executive officer, executives and directors

December 31,		December 31,		December 31,		December 31,	
2024	2023	2024	2023	2024	2023	2024	2023
Directors		Chief Executive Officer		Executives		Total	
(Rupees in '000)							

Managerial remuneration	-	-	4,883	3,368	3,113	2,147	7,996	5,515
Meeting fees	2,250	875	-	-	-	-	2,250	875
	2,250	875	4,883	3,368	3,113	2,147	10,246	6,390

Number of persons	8	10	1	1	1	1	10	12
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32 FAIR VALUE MEASUREMENT

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

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

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

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

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

Transfers during the period

During the six month period ended December 31, 2024, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2024 and June 30, 2024 the Company held financial instruments carried at fair value which comprise of long term investment - FVTOCI and short term investment in mutual funds - FVTPL. Moreover, Investment property is measured at fair value.

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

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Financial assets at fair value through profit or loss	93,295	-	-	93,295
Financial assets at fair value through Other comprehensive income	-	-	201,220	201,220
	As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets at fair value through Other comprehensive income	-	-	201,220	201,220

32.2 The investment property was valued on June 30, 2024 carried out by external independent valuer M/s Asif Associates (Private) Limited.

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Assets				
Investment property carried at fair value	-	-	5,233,505	5,233,505
	As at June 30, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investment property carried at fair value	-	-	5,233,505	5,233,505

32.3 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

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

	(Un-audited) December 31, 2024 Rupees '000	(Audited) June 30, 2024 Rupees '000
Opening balance (level 3 recurring fair values)	5,233,505	5,096,305
Fair value gain raised during the period/year	-	137,200
Closing balance (level 3 recurring fair values)	<u>5,233,505</u>	<u>5,233,505</u>

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

The Company has revalued its leasehold land, buildings on June 30, 2024 by an 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.

33 NUMBER OF EMPLOYEES

Average number of employees during the period ended December 31, 2024 were 23 (December 31, 2023: 23) and as at financial position date were 23 (June 30, 2024: 23).

34 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. Following major reclassification has been made during the period.

	(Un-audited) December 31, 2023 Rupees '000
Statement of Profit or Loss	

Reclassified from

Reclassified to

Taxation

Final Tax

825

- 34.1 In order to comply with the requirements of IAS 34, the balances of condensed interim statement of financial position have been compared with the balances of annual audited financial statements of the preceding year, whereas the amounts in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances / amounts of comparable period of immediately preceding financial year.

35 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 28 FEB 2025.

36 GENERAL

Figures have been rounded off to the nearest thousand rupee.



CHAIRMAN



CHIEF EXECUTIVE OFFICER