



**ISE TOWERS REIT MANAGEMENT  
COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2025**

**BDO Ebrahim & Co. Chartered Accountants**

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## **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, 2025 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 material accounting policy 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, 2025 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan / Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

ISLAMABAD

DATED: SEPTEMBER 30, 2025

UDIN: AR202510060NIDHLXvhR

**BDO EBRAHIM & CO.**

**CHARTERED ACCOUNTANTS**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	1,303,327	1,292,152
Intangible assets	6	3,403	1,896
Investment property	7	5,405,575	5,233,505
Long term investments	8	797,001	633,053
Long term advances and deposits	9	38,550	68,217
Deferred taxation	10	9,541	14,544
		<u>7,557,397</u>	<u>7,243,367</u>
<b>CURRENT ASSETS</b>			
Receivables	11	82,387	64,733
Advances and prepayments	12	16,361	7,317
Short term investments	13	976,378	693,538
Cash and bank balances	14	11,344	79,609
		<u>1,086,470</u>	<u>845,198</u>
<b>TOTAL ASSETS</b>		<u><u>8,643,867</u></u>	<u><u>8,088,565</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
700,000,000 ( 2024: 700,000,000) ordinary shares of Rs.			
10 each			
		<u>7,000,000</u>	<u>7,000,000</u>
Issued, subscribed and paid up capital	15	3,671,870	3,671,870
Surplus on revaluation of property and equipment	16	459,584	442,831
Reserves	17	217,028	205,755
Accumulated profits		<u>3,938,191</u>	<u>3,419,627</u>
		<u>8,286,673</u>	<u>7,740,083</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits	18	26,166	23,553
Deferred liabilities	19	26,689	32,509
		<u>52,855</u>	<u>56,062</u>
<b>CURRENT LIABILITIES</b>			
Accrued and other payables	20	60,096	73,220
Advances and deposits	21	191,278	155,225
Tax payable to government	22	15,404	31,663
Unclaimed dividend	23	37,561	32,312
		<u>304,339</u>	<u>292,420</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>8,643,867</u></u>	<u><u>8,088,565</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes from 1 to 44 form an integral part of these financial statements.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 ----- (Rupees in '000') -----	2024 ----- (Rupees in '000') -----
<b>Income</b>			
Operating income	25	411,271	378,164
<b>Operating expenses:</b>			
Depreciation and amortization	26	(46,969)	(46,046)
Other administrative expenses	27	(77,856)	(50,507)
		(124,824)	(96,553)
Other income	28	199,882	235,834
Financial charges	29	(449)	(63)
Operating profit		485,879	517,382
Fair value gain on investment property	7	172,070	137,200
Fair value gain on investments classified at fair value through profit or loss		18,925	104
Share of profit from associated companies	8.1.1 & 8.1.2	223,072	127,194
Profit before levy and taxation		899,946	781,879
Levy	30	(5,238)	(2,175)
Profit before taxation		894,708	779,704
Taxation	31	(160,820)	(133,731)
Profit for the year after taxation		733,888	645,974
Distributable profit		1.53	1.39
Undistributable - unrealized fair value gain		0.47	0.37
Earning per share - basic and diluted	32	2.00	1.76

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	----- (Rupees in '000') -----	
Profit for the year after taxation		733,888	645,974
<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	5.1	34,207	26,951
Related deferred tax impact	10.3	(7,354)	(5,284)
		26,853	21,667
Share of other comprehensive loss of associates - net	8.1.8	(1,388)	(1,651)
Loss on remeasurement of defined benefit liability	19.2.6	(1,856)	(645)
	8.2.1.1&		
Surplus on remeasurement of equity investment - FVOCI	8.2.2.1	27,764	29,106
Other comprehensive income for the year - net of tax		51,373	48,477
Total comprehensive income for the year		785,261	694,450

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**



ISE TOWERS REIT MANAGEMENT COMPANY LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2025

Note

Issued, subscribed and paid up capital	Capital reserve			Revenue reserves			Total
	Revaluation surplus on property and equipment	Fixed assets replacement reserve	Total capital reserves	Surplus on remeasurement of equity investments - FVTOCI	Accumulated profit	Total revenue reserves	

(Rupees in '000)

Balance as at June 30, 2023	3,671,870	430,096	150,627	580,723	120,195	3,161,203	3,281,398	7,533,991
<b>Total comprehensive income for the year 2024</b>								
Profit for the year after taxation	-	-	-	-	-	645,974	645,974	645,974
Loss on remeasurement of defined benefit liability	-	-	-	-	-	(645)	(645)	(645)
Revaluation of property and equipment during the year (net of tax)	-	21,667	-	21,667	-	-	-	21,667
Transfer to accumulated profit on account of incremental depreciation (net of tax)	16	(8,932)	-	(8,932)	-	8,932	8,932	-
Share of other comprehensive loss of associates	-	-	-	-	-	(1,651)	(1,651)	(1,651)
Surplus on remeasurement of equity investment - FVTOCI	8,211	-	-	-	29,106	-	29,106	29,106
<b>Fixed assets replacement reserve</b>								
Amount collected for fixed assets replacement reserve	17.1	-	55,012	55,012	-	(55,012)	(55,012)	-
Amount utilized from fixed assets replacement reserve	17.1	-	(149,185)	(149,185)	-	149,185	149,185	-
<b>Transactions with owners</b>								
Final cash dividend for the year ended June 30, 2023 at Rs. 0.93 per share						(341,484)	(341,484)	(341,484)
Interim cash dividend for the period ended March 31, 2024 at Rs. 0.40 per share								
<b>Balance as at June 30, 2024</b>	3,671,870	442,831	56,454	499,285	149,301	3,419,627	3,568,928	7,740,083
<b>Total comprehensive income for the year 2025</b>								
Profit for the year after taxation	-	-	-	-	-	733,888	733,888	733,888
Loss on remeasurement of defined benefit liability	-	-	-	-	-	(1,856)	(1,856)	(1,856)
Revaluation of property and equipment during the year (net of tax)	-	26,853	-	26,853	-	-	-	26,853
Transfer to accumulated profit on account of incremental depreciation (net of tax)	16	(10,100)	-	(10,100)	-	10,100	10,100	-
Share of other comprehensive loss of associates	-	-	-	-	-	(1,388)	(1,388)	(1,388)
Surplus on remeasurement of equity investment - FVTOCI	8,211	-	-	-	27,764	-	27,764	27,764
<b>Fixed assets replacement reserve</b>								
Amount collected for fixed assets replacement reserve	17.1	-	44,496	44,496	-	(44,496)	(44,496)	-
Amount utilized from fixed assets replacement reserve	17.1	-	(60,987)	(60,987)	-	60,987	60,987	-
<b>Transactions with owners</b>								
Final cash dividend for the year ended June 30, 2024 at Rs. 0.65 per share	-	-	-	-	-			
<b>Balance as at June 30, 2025</b>	3,671,870	459,584	39,963	499,547	177,065	(238,672)	(238,672)	(238,672)

The annexed notes form 1 to 14 form an integral part of these financial statements

CHAIRMAN

CHIEF EXECUTIVE



**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

2025                      2024  
Note ----- (Rupees in '000') -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation		899,946	781,879
Adjustment for non-cash charges and other items	33	(492,018)	(399,030)
		<u>407,928</u>	<u>382,849</u>

**Working capital changes**

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

Receivables		(17,760)	3,308
Advances, deposits, prepayments and other receivables including long term advances and deposits		20,622	(49,181)
		<u>2,862</u>	<u>(45,873)</u>

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

Accrued and other payables		(13,124)	10,768
Advances and deposits		36,053	6,263
		<u>22,929</u>	<u>17,031</u>
Cash generated from operations		433,719	354,007
Payment for gratuity	19.2.3	(12,890)	(830)
Payment for compensated absences	19.3.2	(2,055)	(157)
Taxation	22	(184,668)	(109,122)
Net cash generated from operating activities		<u>234,107</u>	<u>243,898</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure		(25,445)	(119,914)
Investment made / encash during the year -net		(304,032)	148,209
Proceeds from sale of investments-FVTPL		23,500	-
Interest received		140,989	173,317
Dividend received from mutual funds		-	871
Dividend received from investment-FVOCI		21,675	-
Dividend received from associated companies		72,200	31,283
Net cash (used in) / generated from investing activities		<u>(71,113)</u>	<u>233,766</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term deposits		2,613	350
Dividend paid		(233,423)	(481,349)
Financial charges paid		(449)	(63)
Net cash used in financing activities		<u>(231,259)</u>	<u>(481,063)</u>
Net decrease in cash and cash equivalents		(68,265)	(3,399)
Cash and cash equivalents at beginning of the year		79,609	83,008
Cash and cash equivalents at end of the year	14	<u><u>11,344</u></u>	<u><u>79,609</u></u>

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

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

**ISE TOWERS REIT MANAGEMENT COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1 STATUS AND NATURE OF OPERATION**

- 1.1.1 ISE Towers REIT Management Company Limited ("the Company") was incorporated initially as Islamabad Stock Exchange (Guarantee) limited (ISE) in Islamabad, Pakistan on October 25, 1989, under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) for the purpose of carrying out business of stock exchange. On August 27, 2012 the ISE, in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), was converted into a public company limited by shares on issuance of certificate of re-registration by the Registrar of Companies.
- 1.1.2 ISE entered into a Memorandum of Understanding (MoU) on August 25, 2015 with Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE) with the objective to form an integrated stock exchange for development of capital market of Pakistan under the name of Pakistan Stock Exchange Limited (PSX). Accordingly the ISE proposed a scheme of integration in its Annual General Meeting on October 27, 2015 to shift the stock exchange related business, the core business of the ISE, to PSX and to change the name and scope of the Company subject to approval of the scheme by Securities and Exchange Commission of Pakistan (SECP).
- 1.1.3 SECP has approved the scheme of integration under Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act) through its order number 01/2016 dated January 11, 2016. As a consequence of this approval of integration, the name and scope of the ISE has been changed. The new name of the Company is "ISE Towers REIT Management Company Limited" which has been licensed as Non-Banking Finance Company.
- 1.1.4 On January 11, 2016, ISE changed its name and scope of business and got converted from ISE to a REIT Management Company under the repealed Companies Ordinance, 1984, as a consequence of Securities and Exchange Commission of Pakistan's approval of scheme of integration under the Act and accordingly, the agreed assets / liabilities of stock exchange business were transferred to PSX with effect from January 11, 2016. The Company is licensed as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 by Securities and Exchange Commission of Pakistan to form and launch Real Estate Investment Trust (REIT) under Real Estate Investment Trust Regulations, 2022.
- 1.1.5 On May 18, 2023, the company has registered the Trust for its first rental REIT scheme "ISE Towers REIT scheme". Moreover, the SECP has also granted its consent for registration of the ISE Towers REIT scheme on August 10, 2023.

- 1.1.6 The principal activities of the Company is to form, launch and manage Real Estate Investment Trust (REITs) under REIT Regulations, 2022.

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

- The registered office of the Company is situated in 55-B, ISE Towers, Jinnah Avenue, Islamabad.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for the following:

- Leasehold land, building on leasehold land and investment property measured at revalued amount.
- Investment in associates, equity investments and investment in mutual funds measured at fair value.
- Employee benefits at present value.

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

### **2.3 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.

## **2.4 Key judgments and estimates**

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

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

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

### **2.4.1 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.

### **2.4.2 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.

### **2.4.3 Investment property**

The estimates for revalued amounts, if any, of different classes of property, 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 with corresponding effect on the depreciation charge and impairment loss.

#### **2.4.4 Intangible asset**

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

#### **2.4.5 Provision for Expected Credit Loss**

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.

#### **2.4.6 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.

#### **2.4.7 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.

#### **2.4.8 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.



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

#### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

#### 3.2 New accounting standards, amendments and 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, 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.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2027

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

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

#### **4 MATERIAL ACCOUNTING POLICY INFORMATION**

The principal accounting policies applied in the presentation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

*revised*



## **4.1 Property and equipment**

### **Owned assets**

#### **4.1.1 Operating fixed assets**

Operating fixed assets are initially recognized 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 5.1 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 recognized 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 recognized 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 statement of profit or loss 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 5.1, while leasehold land is amortized over the lease period extendable up to 99 years. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Incremental depreciation arising out of surplus on revaluation of property and equipment is transferred to accumulated profit through statement of changes in equity.

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

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

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

#### **4.1.2 Capital work in progress**

Capital work in progress is stated at cost less impairment losses (if any). It consist of expenditure incurred, 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.

#### **4.2 Intangible assets**

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

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

#### **4.3 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 capitalized 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 recognized in statement of profit or loss.

#### **4.4 Long term investments**

##### **4.4.1 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 recognize 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 recognized directly in the associates' equity are recognized 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 recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

##### **4.4.2 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 recognized 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. At the time of disposal fair value reserves directly transfer to accumulated profit.

#### **4.5 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.

#### **4.6 Other receivables**

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



#### **4.7 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.

#### **4.8 Cash and bank balances**

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

#### **4.9 Share capital**

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

#### **4.10 Earnings per share**

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

#### **4.11 Dividend and apportioning to reserves**

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

#### **4.12 Apportioning to reserve**

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

#### **4.13 Employee benefits**

##### **4.13.1 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, 2025.

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

#### **4.13.2 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, 2025.

Actuarial gains and losses are recognized as income or expense in the other comprehensive income. The Company recognizes 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.

#### **4.14 Payables and other liabilities**

Accrued 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.

#### **4.15 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.

### **4.16 Other income**

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

### **4.17 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, if any.

#### **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.



#### **4.18 Levy**

Minimum tax, final tax and super-tax not based on taxable profits are recognized as a levy in the statement of profit or loss. The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss under the scope of IAS 12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

#### **4.19 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.

#### **4.20 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 recognized.

#### **4.21 Financial instruments**

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

### **Equity Investments at FVOCI**

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

### **Financial assets at FVTPL**

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

### **Impairment**

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

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

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

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

### **Derecognition**

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

## Receivables and deposits

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

### 4.21.2 Financial liabilities

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

Subsequent to initial recognition borrowings are measured at amortized 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.

### 4.22 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 amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

### 4.23 Related party transactions

Related party transactions involves transactions with related parties are carried out at mutually agreed terms as approved by the Board of Directors of the Company.

		2025	2024
		Note	(Rupees in '000)
<b>5</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Operating fixed assets	5.1	1,154,218
	Capital work in progress	5.2	149,109
			<u>1,303,327</u>
			<u>1,292,152</u>

## 5.1 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
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## Net carrying value basis year ended June 30, 2025

(Rupees in '000)

Opening net book value (NBV)	663,602	380,206	18,243	3,091	2,481	69,469	8,602	1,348	281	2,879	2,320	1,983	334	1,155,540
Additions (at cost)	-	-	9,142	-	-	-	506	314	19	-	839	-	290	11,110
Cost	-	-	(147)	-	-	-	-	-	-	-	(1)	-	(15)	(163)
Accumulated depreciation	-	-	147	-	-	-	-	-	-	-	1	-	15	163
Write-off (NBV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment for the year	8,848	25,359	-	-	-	-	-	-	-	-	-	-	-	34,207
Depreciation charge	(8,848)	(14,910)	(2,861)	(789)	(259)	(13,042)	(3,117)	(562)	(191)	(664)	(435)	(680)	(282)	(46,639)
Net book value	663,602	390,655	25,225	2,302	2,222	56,428	5,991	1,100	109	2,215	2,724	1,303	342	1,154,218

## Gross carrying value basis year ended June 30, 2025

Cost / Revalued amount	663,602	380,206	97,728	158,057	8,110	130,464	24,924	14,001	7,759	9,052	5,737	7,281	4,593	1,511,515
Revaluation adjustment for the year	8,848	25,359	-	-	-	-	-	-	-	-	-	-	-	34,207
Accumulated depreciation	(8,848)	(14,910)	(72,504)	(135,755)	(5,888)	(74,036)	(18,933)	(12,901)	(7,650)	(6,837)	(3,013)	(5,978)	(4,251)	(391,504)
Net book value	663,602	390,655	25,225	2,302	2,222	56,428	5,991	1,100	109	2,215	2,724	1,303	342	1,154,218

## 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	-	1,035.89	-	969	1,317	123	9	556	-	253	11,493
Transfers from CWP	-	-	1,401	-	1,553	-	261	-	-	75	-	-	-	3,290
Revaluation adjustment for the year	8,732	18,219	-	-	-	-	-	-	-	-	-	-	-	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	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	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

Useful life / Depreciation rates

99 years	3.16-3.91%	10%	10%	10%	10%	20%	33%	33%	10%	10%	20%	33%
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5.1.1 Lease hold land of the Company is located at Plot no. 55-B (old # 5035), Jinnah Avenue, Blue area, Islamabad, Pakistan with an area of 1659 sq. yds.

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

5.1.3 Depreciation charge for the year amounting to Rs. 46,639 million includes incremental depreciation on revaluation surplus amounting to Rs. 12,451 million (2024: Rs. 10,877 million)

5.1.4 The cost of fully depreciated assets which are still in use amounts to Rs. 253.340 million (2024: Rs. 247.315 million).

5.1.5 The Company has revalued its lease hold land and buildings on June 30, 2025 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. 34.207 million. Valuations for leasehold land and building on leasehold land were based on fair market value.

Name of independent valuer	Date of revaluation	Revaluation Rupees in '000
M/S Asif Associates (Private) Limited	30-Jun-25	34,207
	30-Jun-24	26,951
	30-Jun-23	28,301

5.1.6 The forced sale value of the revalued lease hold land and building has been assessed at Rs. 408.919 million and Rs. 332.058 million respectively, as on June 30, 2025.

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

Description	2025		2024	
	Cost	Book value	Cost	Book value
	(Rupees in '000)			
Leasehold land	309,808	250,182	309,808	253,312
Building on leasehold land	373,025	247,726	373,025	257,051
	<u>682,833</u>	<u>497,908</u>	<u>682,833</u>	<u>510,362</u>

## 5.2 Capital work in progress

Description	Balance as on July 01, 2024	Additions	Transfers / Charged off	Balance as on June 30, 2025
	(Rupees in '000)			
Life Support System / Life Safety System	136,611	51,320	-	187,931
<b>Less:</b>				
Contribution from sub lessee				(38,822)
Net balance				<u>149,109</u>

6 INTANGIBLE ASSETS	Note	2025	2024
		(Rupees in '000)	(Rupees in '000)
Computer software - in use	6.1	3,403	58
Capital work in progress - computer software		-	1,838
		<u>3,403</u>	<u>1,896</u>

		2025	2024
	Note	----- (Rupees in '000) -----	
6.1	<b>The movement in this head is as follows:</b>		
	Opening balance	58	124
	Additions	1,838	70
	Transfer from CWIP - computer software	1,838	-
	Amortization	(330)	(136)
	Closing balance	<u>3,403</u>	<u>58</u>

## 7 INVESTMENT PROPERTY

### At fair value:

	Buildings	7.1	<u>5,405,575</u>	<u>5,233,505</u>
7.1	The movement in this head is as follows:			
	Opening balance		5,233,505	5,096,305
	Fair value gain on revaluation shown in statement of profit or loss		<u>172,070</u>	<u>137,200</u>
			<u>5,405,575</u>	<u>5,233,505</u>

- 7.2 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 M/S Asif Associates (Private) Limited on June 30, 2025. 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.
- 7.3 Forced sale value of the investment property is assessed at Rs. 4,594.738 million on June 30, 2025.
- 7.4 There are no non-cancellable operating leases of the Company as at June 30, 2025.
- 7.5 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. 411.271 million has been recognized in the statement of profit or loss as operating income at note 25. The Company's proportionate operating expenses pertaining to this property are recognized in the statement of profit or loss.
- 7.6 Investment property is located on leasehold land with covered area of 240,076 sq. ft, including basement area of 146,965 sq. ft.

		2025	2024	
	Note	----- (Rupees in '000) -----		
8	<b>LONG TERM INVESTMENTS</b>			
	Under equity method	8.1	568,017	431,833
	Equity investments - FVTOCI	8.2	228,984	201,220
	Equity investments - FVTPL	8.3	-	-
			<u>797,001</u>	<u>633,053</u>
8.1	<b>Under equity method</b>			
	<b>Associated companies - unquoted</b>			
	National Clearing Company of Pakistan Limited	8.1.1	385,035	309,073
	Pakistan Mercantile Exchange Limited	8.1.2	182,982	109,460
	Digital Custodian Company Limited	8.1.3	-	13,300
			<u>568,017</u>	<u>431,833</u>

	2025	2024
Note	----- (Rupees in '000) -----	

**8.1.1 National Clearing Company of Pakistan Limited (NCCPL)**

Investment - at cost	82,208	82,208
Share in post acquisition profits brought forward	226,865	170,268
Share in profits for the year	149,550	75,914
Prior year adjustment	-	(11)
Share in other comprehensive loss for the year	(1,388)	(1,651)
Dividend received during the year	(72,200)	(17,655)
	75,962	56,597
	302,827	226,865
	385,035	309,073

**8.1.2 Pakistan Mercantile Exchange Limited (PMEX)**

Investment - at cost	61,886	61,886
Share in post acquisition losses brought forward	47,573	(4,265)
Prior year adjustment	-	3
Share in profits for the year	73,522	51,835
	73,522	51,838
	121,095	47,573
	182,982	109,460

**8.1.3 Digital Custodian Company Limited (DCCL)**

Investment - at cost	9,969	9,969
Post acquisition profits	3,331	3,879
Prior year adjustment	-	(1,316)
Share in profits for the year	-	768
	-	(548)
	3,331	3,331
	13,300	13,300
Transfer to Equity investment - FVTPL	(13,300)	-
	-	13,300

8.1.4

8.1.4 During the year, 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. Subsequent to the cessation of common directorship, the Company disposed off complete shareholding in DCCL. The details are provided in note 8.3 to the financial statements.

8.1.5 The Company has the following shareholding structure in associates:

	2025		2024	
	Share held	% age	Share held	% age
NCCPL	11,865,238	11.76%	11,865,238	11.76%
PMEX	15,869,316	17.76%	5,568,677	17.76%
DCCL	-	-	4,704,480	9.00%



8.1.6 The Company has significant influence on NCCPL & PMEX due to its representation on their board of the directors 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 and PMEX is Karachi, Sindh.

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

	2025	2024
National Clearing Company of Pakistan	----- (Rupees in '000) -----	
Summarized Statements of Financial Position		
Non Current Assets	1,907,946	890,043
Current Assets	75,281,362	26,639,232
Share Capital	1,008,545	1,008,545
Reserves	2,264,298	1,618,627
Non Current Liabilities	84,601	50,650
Current Liabilities	73,831,864	24,851,453
Summarized Statements of Profit & Loss		
Revenue	3,483,408	2,207,048
Profit for the year	1,271,174	645,270
Other comprehensive loss	(11,804)	(14,033)
Total comprehensive income	1,259,370	631,237

**Pakistan Mercantile Exchange Limited**

<b>Summarized Statements of Financial Position</b>		
Non Current Assets	216,255	37,771
Current Assets	12,709,888	6,559,256
Share Capital	893,622	313,551
Reserves	121,882	284,204
Non Current Liabilities	303,455	164,087
Current Liabilities	11,607,184	5,835,184
<b>Summarized Statements of Profit &amp; Loss</b>		
Revenue	1,304,685	866,372
Profit for the year	417,747	291,890
Total Comprehensive income	417,747	291,890

**Digital Custodian Company Limited**

<b>Summarized Statements of Financial Position</b>		
Non Current Assets	-	527,061
Current Assets	-	36,284
Share Capital	-	522,667
Reserves	-	8,399
Non Current Liabilities	-	14,546
Current Liabilities	-	17,733
<b>Summarized Statements of Profit &amp; Loss</b>		
Revenue	-	119,744
Profit for the year	-	8,533
Other Comprehensive Income	-	-
Total Comprehensive income	-	8,533



	Note	2025 ----- (Rupees in '000) -----	2024
8.1.8	<b>Share of other comprehensive loss of associates - net</b>		
	Share in other comprehensive loss for the year - NCCPL	(1,388)	(1,651)
8.2	<b>Equity investments - FVTOCI</b>		
	Central Depository Company of Pakistan Limited (CDC)	217,789	190,483
	VIS Credit Rating Company Limited (VIS)	11,195	10,737
		228,984	201,220
8.2.1	<b>Central Depository Company of Pakistan Limited</b>		
	Investment - at cost	47,163	47,163
	Fair value adjustment	170,626	143,320
		217,789	190,483
8.2.1.1	<b>Fair value adjustment</b>		
	Opening	143,320	114,778
	For the year transferred to other comprehensive income	27,306	28,542
	Closing	170,626	143,320
8.2.1.2	This represents investment in 8.750 million (2024: 8.750 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.		

#### Central Depository Company of Pakistan Limited

	2025 ----- (Rupees in '000) -----	2024
<b>Summarized Statements of Financial Position</b>		
Non Current Assets	2,615,952	2,347,822
Current Assets	7,921,595	6,769,822
Share Capital	3,500,000	3,500,000
Reserves	5,211,525	4,119,309
Non Current Liabilities	455,708	420,386
Current Liabilities	1,370,314	1,077,949
<b>Summarized Statements of Profit &amp; Loss</b>		
Revenue	4,611,443	3,131,347
Profit for the year	1,924,249	1,559,056
Other Comprehensive income / (loss)	14,967	(12,075)
Total Comprehensive income	1,939,216	1,546,980

	2025		2024	
	Share held	% age	Share held	% age
CDC	8,750,000	2.5%	8,750,000	2.5%

## 8.2.2 VIS Credit Rating Company Limited

		2025	2024
	Note	----- (Rupees in '000) -----	
Investment - at cost		4,756	4,756
Fair value adjustment	8.2.2.1	6,439	5,981
		<u>11,195</u>	<u>10,737</u>

### 8.2.2.1 Fair value adjustment

Opening	5,981	5,417
For the year transferred to other comprehensive income	458	564
Closing	<u>6,439</u>	<u>5,981</u>

	2025	2024
	----- (Rupees in '000) -----	

## VIS Credit Rating Agency

### Summarized Statements of Financial Position

Non Current Assets	118,075	126,772
Current Assets	218,450	175,134
Share Capital	20,000	20,000
Reserves	203,892	194,748
Non Current Liabilities	-	-
Current Liabilities	112,633	87,158

### Summarized Statements of Profit & Loss

Revenue	236,919	205,506
Profit for the year	17,400	28,887
Other Comprehensive Income	1,744	1,744
Total Comprehensive income	19,144	30,631

	2025		2024
	Share held	% age	Share held
VIS	100,000	5.0%	100,000
			% age

## 8.2.3 Surplus on investment of equity investment - FVOCI

		2025	2024
	Note	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited	8.2.1.1	170,626	171,863
VIS Credit Rating Company Limited	8.2.2.1	6,439	6,544
	8.2.3.1	<u>177,065</u>	<u>178,407</u>

### 8.2.3.1 Fair value adjustment

Opening	178,407	178,407
For the year transferred to other comprehensive income	(1,342)	-
Closing	<u>177,065</u>	<u>178,407</u>

## 8.3 Equity investments - FVTPL

Investment transferred from equity method	8.1.3	13,300	-
Fair value adjustment		10,200	-
Disposal during the year		(23,500)	-
Closing		<u>-</u>	<u>-</u>

9	LONG TERM ADVANCES AND DEPOSITS		2025	2024
		Note	----- (Rupees in '000) -----	
	Advances to staff		116	-
	Advances to contractor	9.1	23,655	53,438
	<b>Deposits with:</b>			
	Islamabad Electric Supply Company Limited		11,878	11,878
	Sui Northern Gas Pipelines Limited		2,650	2,650
	Others	9.2	251	251
			<u>38,550</u>	<u>68,217</u>

9.1 This represents 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.

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

10	DEFERRED TAXATION		2025	2024
		Note	----- (Rupees in '000) -----	
	Deferred tax asset	10.3	<u>9,541</u>	<u>14,544</u>

10.1 Deferred tax asset is in respect of the following temporary differences:

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>Taxable temporary differences</b>			
Accelerated depreciation allowance		57,315	66,242
Long term investments		111,994	53,384
Short term investments		2,699	-
Surplus on revaluation of property and equipment		<u>61,519</u>	<u>56,516</u>
		233,528	176,142

**Deductible temporary differences**

Provision for compensated absences		(2,341)	(1,925)
Carry forward of accumulated tax losses/unabsorbed		<u>(267,030)</u>	<u>(287,439)</u>
		(269,371)	(289,363)
	10.2 & 10.3	<u>(35,844)</u>	<u>(113,222)</u>

10.2 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 as been recognized on the basis of next year profitability. Deferred tax asset amounting to Rs. 26.303 million (2024: 98.660) has not been recognized as management believes that deferred tax asset carried in financial statements is based on expectation of utilization of carry forward losses and future projections of profit. No deferred tax asset has been recognized on gratuity as the company is claiming it as tax expense.

10.3	Movement in deferred taxation		2025	2024
			----- (Rupees in '000) -----	

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

Opening balance		14,544	25,352
Recognized in profit or loss		2,351	(5,524)
Recognized in other comprehensive income		<u>(7,354)</u>	<u>(5,284)</u>
Closing balance		<u>9,541</u>	<u>14,544</u>

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>11 RECEIVABLES</b>			
Considered good			
Rent Receivable - secured		2,428	124
Receivable from building occupants - unsecured	11.1	60,520	45,762
Receivable from REIT scheme - unsecured	11.2	18,519	18,107
Due from sub lessee - unsecured	11.3	500	500
Others - unsecured		420	240
		<u>82,387</u>	<u>64,733</u>
Considered doubtful based on expected credit loss		844	738
Allowance for ECL	11.4	<u>83,231</u>	<u>65,471</u>
		<u>(844)</u>	<u>(738)</u>
		<u>82,387</u>	<u>64,733</u>
11.1	This represents receivables from occupants of building on account of utilities and other maintenance services.		
11.2	This represents the incidental expenses of the REIT scheme including against registration of REIT scheme and other due processes.		
11.3	This represents receivables from a party to whom office space in ISE Towers have been sold/sub-leased.		
<b>11.4 Movement in Allowance for ECL:</b>			
	Note	2025	2024
		----- (Rupees in '000) -----	
Balance at the beginning of the year		738	1,255
Charge / (Reversal) during the year		106	(517)
Balance at the end of the year		<u>844</u>	<u>738</u>
<b>12 ADVANCES AND PREPAYMENTS</b>			
Advances	12.1	15,892	7,131
Prepayments		469	186
		<u>16,361</u>	<u>7,317</u>
<b>12.1 Advances</b>			
Unsecured - considered good			
<b>Advances to:</b>			
Staff	12.1.1	2,371	604
Contractors	12.1.2	13,521	6,527
		<u>15,892</u>	<u>7,131</u>
Considered doubtful based on expected credit loss (ECL)		225	225
		<u>16,117</u>	<u>7,356</u>
Allowance for ECL		<u>(225)</u>	<u>(225)</u>
		<u>15,892</u>	<u>7,131</u>
12.1.1	Advances to employees are given for the purpose of meeting personal expenses. These advances are interest free and recoverable in eighteen equal monthly instalments. These advances are secured by way of amount due to employees against their gratuity fund balances.		

- 12.1.2 This represents advances given to various parties which mainly include amount of Rs. 3.678 million related to payment made to M/S Icon Technical Services (Pvt) Ltd for purchase of sounder flasher and Manual Call Point (MCP), Rs. 3.654 million to M/S Mistique Engineering for purchase of PVC fills and BMS integration and M/s Total fire and safety for installation of fire suppression system Rs. 2.8 million.

### 13 SHORT TERM INVESTMENTS

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
<b>Investment held at amortized cost</b>			
Treasury bills	13.1	829,160	693,538
<b>Investment held at FVTPL</b>			
Investment in Mutual funds	13.2	147,218	-
		<u>976,378</u>	<u>693,538</u>

#### 13.1 Treasury bills

Treasury bills	13.1.1	815,664	658,847
Accrued interest		13,496	34,692
		<u>829,160</u>	<u>693,538</u>

- 13.1.1 The investment in treasury bills (T-Bills) having maturity from Nov 27, 2025 to June 24, 2026 and carries yield rate ranging from 10.87% to 12.10% (2024 : 18.49% to 21.26%) per annum.

- 13.2 The investment in open ended mutual funds made during the year, are measured at fair value through profit or loss (FVTPL).

### 14 CASH AND BANK BALANCES

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Cash at banks			
Saving accounts - Conventional			
- Local currency	14.1&14.2	11,265	65,650
Saving accounts - Islamic			
- Local currency		31	13,935
Cash in hand		48	24
		<u>11,344</u>	<u>79,609</u>

- 14.1 Balances in saving accounts carry interest rate of 9.5% (2024: 20.5%) per annum.

- 14.2 This includes Rs. 0.970 million (2024: Rs. 0.970 million) against outstanding balances of "deposits from members against exposure and clearing house deposit" and Rs. 8.670 million (2024: Rs. 17.128 million) against retention money maintained in a separate bank account. (Note 21).

### 15 SHARE CAPITAL

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

##### Number of ordinary shares of Rs.10/- each

2025	2024		2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
<u>367,186,963</u>	<u>367,186,963</u>	Ordinary shares issued for consideration other than cash	<u>3,671,870</u>	<u>3,671,870</u>

- 15.2 In accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 (the Act), initial paid up share capital of the Company was issued to initial shareholders of the Company for consideration other than cash as per clause 4(d) of the Act based on the net asset value determined through revaluation of assets and liabilities of the Company standing on March 31, 2012. The net assets value determined was at Rs. 3,671.870 million. For the purpose of corporatization pursuant to the Act, the surplus on revaluation of assets was included in the calculation of the paid up capital as per provisions of the Act.

Consequent upon the change of name of the Company as provided in note 1.1 of these financial statements, the shareholding structure also stands transformed. As such the shareholders of Islamabad Stock Exchange have now become the shareholders of ISE Towers REIT Management Company Limited.

- 15.3 All ordinary shares rank equally with regard to the company's residual assets, entitled to dividend and voting rights.

**16 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT - NET OF TAX** **2025** **2024**  
**----- (Rupees in '000) -----**

Balance brought forward		499,349	483,275
Revaluation of property and equipment during the year	16.1	34,207	26,951

Less:

- Transferred to equity in respect of incremental depreciation charged during the year-net of deferred tax		(10,100)	(8,932)
- Related deferred tax liability during the year transferred to statement of profit or loss	10.3	(2,351)	(1,945)
		(12,451)	(10,877)
		521,105	499,349

Less: Related deferred tax effect:

Balance as at July 01		56,516	53,178
- On revaluation during the year	10.3	7,356	5,284
- Incremental depreciation charged during the year transferred to statement of profit or loss	10.3	(2,351)	(1,945)
		(61,521)	(56,516)
		459,584	442,831

- 16.1 This represents surplus resulting from revaluation of operating fixed assets determined by approved independent valuer M/s Asif Associates (Private) Limited on June 30, 2025. Please refer to note 5.1.5 of these financial statements for more details in this respect.

- 16.2 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.

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>17</b>	<b>RESERVES</b>		
- Fixed assets replacement - capital reserve	17.1	39,963	56,454
- Surplus on remeasurement of equity investments- FVTOCI - revenue reserve		177,065	149,301
		<u>217,028</u>	<u>205,755</u>

**17.1 Fixed assets replacement reserve**

Opening	56,454	150,627
Contribution for the year	44,496	55,012
Utilized during the year	(60,987)	(149,185)
Closing	<u>39,963</u>	<u>56,454</u>

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

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>18</b>	<b>LONG TERM DEPOSITS</b>		
Security deposits	18.1	26,166	23,553
		<u>26,166</u>	<u>23,553</u>

- 18.1 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.

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>19</b>	<b>DEFERRED LIABILITIES</b>		
Staff retirement benefits - gratuity	19.2	20,685	25,871
Compensated absences	19.3	6,003	6,637
		<u>26,689</u>	<u>32,509</u>

**19.1 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, 2025 using the Projected Unit Credit Method.



### 19.1.1 Risks associated with the scheme

The Company faces the following risks on account of gratuity:

#### (a) Final salary risk

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

#### (b) Demographic Risks

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

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

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

### 19.2 Staff retirement benefits - gratuity

#### 19.2.1 Liability recognized in the statement of financial

	Note	2025 ----- (Rupees in '000) -----	2024 -----
Present value of defined benefit obligation	19.2.4	<u>20,685</u>	<u>25,871</u>

#### 19.2.2 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	19.2.4	<u>20,685</u>	<u>25,871</u>
Closing net liability		<u>20,685</u>	<u>25,871</u>

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

Opening net liability		25,871	20,240
Charge for the year	19.2.5	5,847	5,786
Adjustment made against opening payable		-	30
Actuarial loss recognized in other comprehensive income	19.2.6	1,856	645
Benefits paid during the year		<u>(12,890)</u>	<u>(830)</u>
Closing net liability		<u>20,685</u>	<u>25,871</u>

		2025	2024
	Note	----- (Rupees in '000) -----	
<b>19.2.4 Movement in present value of defined benefit obligations</b>			
Opening present value of defined benefit obligations		25,871	20,240
Current service cost for the year		2,981	2,565
Interest cost for the year		2,866	3,221
Remeasurement loss on obligation	19.2.6	1,856	645
Adjustment made against opening payable		-	30
Benefits paid during the year		(12,890)	(830)
		<u>20,685</u>	<u>25,871</u>

**19.2.5 Amount recognized in statement of profit or loss**

Current service cost	2,981	2,565
Interest cost	2,866	3,221
Charge for the year	<u>5,847</u>	<u>5,786</u>

**19.2.6 Remeasurement chargeable to other comprehensive income**

Loss on remeasurement of obligation	<u>1,856</u>	<u>645</u>
-------------------------------------	--------------	------------

**19.2.7 Comparison of liabilities for five years**

2025	2024	2023	2022	2021
----- (Rupees in '000) -----				
<u>20,685</u>	<u>25,871</u>	<u>20,240</u>	<u>15,073</u>	<u>12,068</u>

**19.2.8 Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2025 is as follows:

	Increase in Assumption	Decrease in Assumption
	----- (Rupees in '000) -----	
Discount rate (Effect in Rupees)	19,615	21,881
Salary increase (Effect in Rupees)	21,939	19,543

19.2.9 The charge in respect of defined benefit plan for the year ending June 30, 2026 is estimated to be Rs. 5.336 million. Further the Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented.

### 19.2.10 Principal actuarial assumptions

<b>Mortality table</b>	<b>2025</b>	<b>2024</b>
Discount rate (%)	14.75	14.75
Expected rate of increase in salary (%)	21.11	13.75
Average expected remaining working life time of employee(Years)	8.1	9.9
Weighted average duration of the defined benefits obligation(Years)	5	5
Mortality Rate	SLIC(2001-05)	

### 19.2.11 Maturity Analysis

One year	3,131	3,016
One to five years	21,805	23,235
After five years	97,561	160,285

### 19.3 Compensated absences

	<b>2025</b>	<b>2024</b>
Note	----- (Rupees in '000) -----	

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

Present value of defined benefit obligation	19.3.3	<u>6,003</u>	<u>6,637</u>
---------------------------------------------	--------	--------------	--------------

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

Opening liability		6,637	5,543
Charge for the year	19.3.4	1,421	1,231
Adjustment made against opening payable		-	20
Benefits paid during the year		<u>(2,055)</u>	<u>(157)</u>
		<u>6,003</u>	<u>6,637</u>

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

Opening present value of defined benefit obligations		6,637	5,543
Current service cost for the year		164	168
Interest cost for the year		827	888
Adjustment made against opening payable		-	20
Benefits paid during the year		<u>(2,055)</u>	<u>(157)</u>
Remeasurement loss on obligation	19.3.5	<u>430</u>	<u>175</u>
Closing present value of defined benefit obligations		<u>6,003</u>	<u>6,637</u>

*Signature*

	2025	2024
	----- (Rupees in '000) -----	
<b>19.3.4 Amount recognized in statement of profit or loss</b>		
Current service cost	164	168
Actuarial loss	430	175
Interest cost for the year	827	888
	<u>1,421</u>	<u>1,231</u>

<b>19.3.5 Remeasurement chargeable to profit or loss</b>		
Remeasurement loss on obligation	<u>430</u>	<u>175</u>

<b>19.3.6 Comparison of liabilities for five years</b>					
	2025	2024	2023	2022	2021
	-----	-----	-----	-----	-----
	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
	<u>6,003</u>	<u>6,637</u>	<u>5,543</u>	<u>4,366</u>	<u>3,578</u>

#### 19.3.7 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation as at June 30, 2025 is as follows:

	Increase in Assumption	Decrease in Assumption
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Discount rate (Effect in Rupees)	5,664	6,384
Salary increase (Effect in Rupees)	6,366	5,676

19.3.8 The Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented.

<b>20 ACCRUED AND OTHER PAYABLES</b>		2025	2024
		----- (Rupees in '000) -----	
	<b>Note</b>		
Proceeds from sale of assets of security brokers in default	20.1	31,345	34,786
Payable on account of cancellation of sub lease	20.2	11,375	11,375
Accrued liabilities		4,242	16,118
Corporate social responsibility (CSR)	20.3	6,768	6,508
Audit fee payable		460	460
Other payables		<u>5,905</u>	<u>3,973</u>
		<u>60,096</u>	<u>73,220</u>

- 20.1 This represents amount received from disposal of assets and dividend on shares of defaulting/expelled security brokers. These amounts are to be utilized for the settlement of dues including investors' claims of the defaulting security brokers through Fund Committee constituted by Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange.
- 20.2 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.
- 20.3 During the year, a contribution of Rs. 2 million has been made to the CSR fund. Moreover, an amount of Rs. 1.74 million has been utilized out of this fund as annual scholarship payment to eligible students.

21	ADVANCES AND DEPOSITS	Note	2025	2024
			----- (Rupees in '000) -----	-----
	Advance rent	21.1	181,638	137,128
	Deposit from members against exposure and clearing house		970	970
	Retention money & security deposits		8,670	17,127
			<u>191,278</u>	<u>155,225</u>
21.1	Advance rent			
	Opening balance		137,128	136,419
	Received during the year		398,300	351,874
	Income recognized during the year		(353,790)	(351,165)
	Closing balance		<u>181,638</u>	<u>137,128</u>
21.1.1	Advance rent is received from tenants of ISE Towers on account of operating lease of offices.			
22	TAX PAYABLE TO GOVERNMENT	Note	2025	2024
			----- (Rupees in '000) -----	-----
	Income tax - opening		31,663	10,403
	Provision for taxation for the year	30 & 31	168,409	130,382
			<u>200,072</u>	<u>140,785</u>
	Advance - Income tax paid during the year		(184,668)	(109,122)
	Income tax - closing		<u>15,404</u>	<u>31,663</u>
23	UNCLAIMED DIVIDEND			
	Unclaimed dividend		<u>37,561</u>	<u>32,312</u>

	2025	2024
The reconciliation of carrying amount is as follows:	----- (Rupees in '000) -----	
Opening balance	32,312	25,303
Dividends declared	238,672	488,359
Dividends paid	(233,423)	(481,349)
	<u>37,561</u>	<u>32,312</u>

## 24 CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

#### Legal cases by the Company:

Writ petition was filed by the Company against the recovery of property tax amounting to Rs. 11.72 million, notice issued by the Metropolitan Corporation Islamabad (MCI) before the Islamabad High Court (IHC), Islamabad. On the first hearing, the IHC suspended the recovery notice with the direction that the Company should keep on depositing the property tax at the previous rate with the MCI.

The petition is at the initial stage and the precise outcome of the case cannot be forecasted at this stage. The Company intends to pursue the case vigorously.

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

- a) 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.

No precuniary impact on the Company is expected from the disposal of above pending cases.

- b) The details of tax contingencies have been disclosed in the note 31 to these financial statements.
- c) Company's share in the contingencies of associates is Rs. 9.64 million (2024: Rs. 34.8 million).

### 24.2 Commitments

- a) Company's commitments for capital expenditure are Rs. 94.14 million (2024: Rs. 117.97 million).
- b) Company's share in the commitments of associates is Rs. 41.023 million. (2024: Rs. 3.099 million).



**25 OPERATING INCOME**

2025                      2024  
Note ----- (Rupees in '000) -----

Rental income from investment property	401,558	368,979
Other rental	9,713	9,185
	<u>411,271</u>	<u>378,164</u>

**25.1 Maturity Analysis of lease rental from investment property is as follows:**

Not later than 1 year	456,707	412,648
Later than one year but not later than two years	348,153	450,279
Later than two years but not later than five years	416,554	1,612,521
Later than five years	37,697	-
	<u>1,259,111</u>	<u>2,475,448</u>

**26 DEPRECIATION AND AMORTIZATION**

Depreciation	46,639	45,910
Amortization	330	136
	<u>46,969</u>	<u>46,046</u>

**27 OTHER ADMINISTRATIVE EXPENSES**

Salaries and benefits	27.1	24,581	21,378
Directors' meeting fee		7,650	2,600
Travelling and lodging		1,411	1,242
Postage, telephone and fax		588	608
Printing and stationery		1,001	1,318
News papers, books and periodicals		90	83
Publicity and advertisements		264	36
Rent, rates and taxes		3,700	4,074
Legal and professional charges		7,067	5,042
Litigation settlement expense	27.2	14,555	-
Auditors remuneration	27.3	759	659
Contract services		694	510
Repairs and maintenance		716	647
Seminars, meetings and entertainment		2,190	2,127
MIS / technology charges		978	1,186
Electricity, gas and water		4,388	4,780
Insurance		3,006	2,765
Provision for expected credit loss	11.4	106	-
Real estate agent fee		1,453	-
Corporate social responsibility		2,000	1,000
Miscellaneous		660	452
		<u>77,856</u>	<u>50,507</u>

27.1 This includes gratuity expense and compensated absences charged during the year amounting to Rs. 3.453 million and Rs. 0.935 million respectively.

27.2 This represents expense against out of court settlement of a long outstanding legal case with M/s MRA Altec Construction (Private) Limited.

27.3	Auditors remuneration		2025	2024
		Note	----- (Rupees in '000) -----	-----
	<b>Audit services</b>			
	Annual audit fee		440	400
	Half yearly review fee		160	150
	Out of pocket expenses		159	109
			<u>759</u>	<u>659</u>

## 28 OTHER INCOME

### Income from financial assets:

Profit on bank deposits and investments		119,793	173,314
Dividend income from investment-FVOCI		21,675	13,628
Dividend from mutual funds		-	871

### Income from non financial assets:

Room transfer fee		1,925	1,839
Income from branding		989	989
Asset service charges from tenants/occupants		38,298	25,640
Others	28.1	<u>17,202</u>	<u>19,553</u>
		<u>199,882</u>	<u>235,834</u>

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

## 29 FINANCIAL CHARGES

This represents bank charges incurred during the year.

30 LEVY	Note	2025	2024
		----- (Rupees in '000) -----	-----
Final Tax	30.1	<u>5,238</u>	<u>2,175</u>

30.1 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.

30.2 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:

*refer*

		2025	2024
	Note	----- (Rupees in '000) -----	
Current tax liability for the year		170,193	130,382
Portion of current tax liability as per tax laws, representing income tax under IAS 12	31	(164,955)	(128,207)
Final tax differential		<u>5,238</u>	<u>2,175</u>

### 31 TAXATION

#### Current

For the year		164,955	128,207
For prior year		(1,784)	-
Deferred	10.3	(2,351)	5,524
		<u>160,820</u>	<u>133,731</u>

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

	2025	2024
	----- (Rupees in '000) -----	
Tax on profit before taxation at applicable tax rate of 29% ( 2024: 29%)	260,984	226,745
Tax effect of unrealized income	(117,121)	(76,704)
Tax effect of income subject to final tax	10,830	2,650
Tax effect of tax classified as final tax differential	(3,981)	(4,205)
Tax effect of income from mutual funds	(2,305)	-
Tax effect of taxable profit subject adjustment against taxable losses	(16,802)	(37,650)
Tax effect of admissible expenses to separate block	(23,854)	(21,934)
Super tax on profit before tax at applicable tax rate of 10% (2024:8%)	57,203	39,305
Prior year	(1,784)	-
Effect of deferred tax	<u>(2,351)</u>	<u>5,524</u>
	<u>160,820</u>	<u>133,731</u>

31.2 The department raised a tax demand of Rs. 3.256 million for tax year 2003 & 2004, which was annulled by the CIR. The department appealed before ATIR, where the case is pending.

31.3 The department raised a tax demand of Rs. 15.770 million for tax year 2011, which was confirmed by the CIR. The Company appealed before ATIR, where the case is pending. A rectification application u/s 221 is also pending.

- 31.4 The department raised a tax demand of Rs. 7.559 million for tax year 2015 u/s 161/205 of the Income Tax Ordinance, 2001, the Company appeal was remanded back by the CIR. The Company appealed before ATIR, where the case is pending.
- 31.5 The department raised a tax demand of Rs. 46.122 million by amending the assessment for tax year 2017 u/s 122(5A) of the Income Tax Ordinance, 2001. The Company appeal was rejected by the CIR. The Company appealed before ATIR, where the case is pending.
- 31.6 The department raised a tax demand of Rs. 31.698 million by amending the assessment for tax year 2018 u/s 221(1) of the Income Tax Ordinance, 2001. The Company appeal was rejected by the CIR. The Company appealed before ATIR, where the case is pending.
- 31.7 The department raised a tax demand of Rs. 28.729 million by amending the assessment for tax year 2019 u/s 221(1) of the Income Tax Ordinance, 2001. The Company appeal was rejected by the CIR. The Company appealed before ATIR, where the case is pending. Moreover, a demand of Rs. 16.09 million raised by the department under Sales Tax Act, 1990 is pending before CIR.
- 31.8 The department raised a tax demand of Rs. 1.527 million by amending the assessment for tax year 2020 u/s 122(5A) of the Income Tax Ordinance, 2001. The Company appealed before CIR, where the case is pending.
- 31.9 The department raised a tax demand of Rs. 10.922 million by amending the assessment for tax year 2021 u/s 122(5A) of the Income Tax Ordinance, 2001. The Company appealed before Islamabad High Court, where the case is pending.
- 31.10 No provision has been made in the financial statements for all of the above alleged tax demand as the management based on the advise of legal advisor, is confident that the matter will be decided in favour of the Company.

	2025	2024
<b>32 EARNINGS PER SHARE</b>		
Profit after tax (Rupees in '000)	733,888	645,974
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>2.00</u>	<u>1.76</u>

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

		2025	2024
	Note	----- (Rupees) -----	
Distributable profit		0.92	1.04
- Profit before share of associate		0.61	0.35
- Share of profit from associated companies		<u>1.53</u>	<u>1.39</u>
Undistributable - unrealized fair value gains	32.2.1	<u>0.47</u>	<u>0.37</u>
		<u>2.00</u>	<u>1.76</u>

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

### 33 ADJUSTMENT FOR NON-CASH CHARGES AND OTHER ITEMS

	Note	2025 ----- (Rupees in '000) -----	2024
Depreciation and amortization	26	46,969	46,046
Profit on bank deposits and investments	28	(119,793)	(174,185)
Dividend income from Investment-FVOCI	28	(21,675)	(13,628)
Share of profits and other comprehensive income from associated companies		(223,072)	(127,194)
Fair value gain on investment property	7.1	(172,070)	(137,200)
Fair value gain on investment-FVTPL		(10,200)	
Provision for gratuity	19	5,847	5,816
Provision for compensated absences	19	1,421	1,251
Financial charges	29	449	63
Provision for expected credit loss	11.4	106	-
		<u>(492,018)</u>	<u>(399,030)</u>

### 34 FINANCIAL INSTRUMENTS

#### 34.1 Financial instruments by category

##### Financial assets

##### Equity investments - FVTOCI

Long term investment	8.2	228,984	201,220
----------------------	-----	---------	---------

##### FVTPL

Short term investment	13	147,218	-
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##### Amortized cost

Receivables - considered good	11	82,387	64,733
Long term advances and deposits	9	38,550	68,217
Advances - considered good	12.1	2,371	604
Short term investment	13	829,160	693,538
Cash and bank balances	14	11,344	79,609
		<u>963,812</u>	<u>906,701</u>
		<u>1,192,796</u>	<u>1,107,921</u>

##### Financial assets

##### Financial liabilities

##### Amortized cost

Accrued and other payables	20	53,328	66,712
Unclaimed dividend	23	37,561	32,312
Advances and deposits		9,640	18,097
Deferred liabilities	19	26,690	32,510
		<u>127,218</u>	<u>149,631</u>

##### Financial liabilities

### **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 recognized at the reporting date, summarized as follow:

*refer,*



	Carrying amount	
	2025	2024
	----- (Rupees in '000) -----	
Receivables	82,387	64,733
Advances - considered good	2,371	604
Short term investment	829,160	693,538
Bank balances	11,265	79,585
	<u>925,183</u>	<u>838,460</u>

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

Banks and financial institutions	11,265	79,585
Others	913,918	758,875
	<u>925,183</u>	<u>838,460</u>

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

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

**Receivables**

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

	2025		2024	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----			
Past due 0-50 days	81,690	-	63,660	-
Past due 51 days - 1 year	-	-	1,073	-
Past Due 1 year to 2 years	27	14	738	738
More than 2 years	1,514	830	-	-
	<u>83,231</u>	<u>844</u>	<u>65,471</u>	<u>738</u>

**Bank balances**

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

	Rating agency	Ratings	(Rupees in '000)
		Long term	
MCB Bank Limited	PACRA	AAA	3,091
Allied Bank Limited	PACRA	AAA	1,039
United bank Limited	JCR-VIS	AAA	33
Bank Makramah Limited (Formerly: Summit Bank Limited)	JCR-VIS	B	30

	Rating agency	Ratings	(Rupees in '000)
		Long term	
Askari Bank Limited	PACRA	AA+	28
Bank Alfalah Limited	JCR-VIS	AAA	20
JS Bank Limited	PACRA	AA	6,770
National Bank of Pakistan	PACRA	AAA	207
Meezan Bank Limited	JCR-VIS	AAA	31
Samba Bank Limited	JCR-VIS	AA	47
			<u>11,296</u>

(c) **Equity price risk**

Equity price risk is the risk that the fair value of the equities changes as the result of changes in the level of equity indices and the value of individual stocks. The Company does not have exposure in listed equities as at June 30, 2025.

**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	1-2 years	2-5 years	
(Rupees in '000)					
<b>Non-derivative financial liabilities</b>					
<b>2025</b>					
Deposits (Short term & long term)	35,806	(35,806)	(9,640)	-	(26,166)
Accrued and other liabilities	52,868	(52,868)	(52,868)	-	-
Deferred liabilities	26,689	(26,689)	-	-	(26,689)
Unclaimed dividend	37,561	(37,561)	(37,561)	-	-
	<u>152,924</u>	<u>(152,924)</u>	<u>(100,069)</u>	<u>-</u>	<u>(52,855)</u>
<b>Non-derivative financial liabilities</b>					
<b>2024</b>					
Deposits (Short term & long term)	40,331	(40,331)	(17,127)	-	(23,204)
Accrued and other liabilities	66,252	(66,252)	(66,252)	-	-
Deferred liabilities	32,509	(32,509)	-	-	-
Unclaimed dividend	32,312	(32,312)	(32,312)	-	-
	<u>171,404</u>	<u>(171,404)</u>	<u>(115,691)</u>	<u>-</u>	<u>(23,204)</u>

### 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 currently 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	
2025	2024	2025	2024
Interest rate	Interest rate	(Rupees in '000)	

#### Variable rate instruments

##### Financial assets

Bank balances	9.50%	20.50%	11,265	65,650
---------------	-------	--------	--------	--------

#### (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			
	2025		2024	
	(Rupees in '000)			
	Increase	Decrease	Increase	Decrease
Cash flow sensitivity -				
Variable rate instruments	113	(113)	796	(796)

## 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, 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:

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Borrowings	-	-
Total capital	8,286,673	7,740,083
Gearing ratio	0.00%	0.00%

## 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:

### Related party transaction with Associates

#### Associate companies (related parties by virtue of common directors ship)

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>National Clearing Company of Pakistan Limited</b>		
Utility charges	5,521	3,974
Amount received against utility charges	(5,217)	(3,871)
Closing balance against utilities	395	410
Dividend received	72,199	17,666
<b>Pakistan Mercantile Exchange Limited</b>		
Utility charges	754	619
Amount received against utility charges	(693)	(607)
Closing balance against utilities	118	57
Rent received	3,095	2,702

**Related party transaction with Directors**

2025                      2024  
----- (Rupees in '000) -----

Utility charges	11,792	4,884
Amount received against utility charges	(8,765)	(4,766)
Closing balance against utilities	3,027	464

**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, 2025		June 30, 2024	
Carrying amount	Fair value	Carrying amount	Fair value
----- (Rupees in '000) -----			

**Assets carried at amortized cost**

Receivables	82,387	82,387	64,733	64,733
Advances	2,371	2,371	604	604
Short term investments - T-bills	829,160	829,160	693,538	693,538
Cash and bank balances	11,344	11,344	79,609	79,609
Long term advances and deposits	38,550	38,550	68,217	68,217
	963,812	963,812	906,701	906,701

**Liabilities carried at amortized cost**

Accrued and other payables	53,328	53,328	66,712	66,712
Advances and deposits	9,640	9,640	18,097	18,097
Unclaimed dividend	37,561	37,561	32,312	32,312
	100,529	100,529	117,121	117,121

38.1 As at June 30, 2025 and 2024 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.

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

As at June 30, 2025			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

**Assets**

Financial assets at fair value through other comprehensive income	-	-	228,984	228,984
Financial assets at fair value through profit and loss	-	-	147,218	147,218

As at June 30, 2024			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

**Assets**

Financial assets at fair value through other comprehensive income	-	-	201,220	201,220
Financial assets at fair value through profit and loss	-	-	-	-

38.3 The investment property is valued on June 30, 2025 carried out by external independent valuer M/s Asif Associates (Private) Limited.

As at June 30, 2025			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

**Assets**

Investment property carried at fair value	-	-	5,405,575	5,405,575
-------------------------------------------	---	---	-----------	-----------

As at June 30, 2024			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

**Assets**

Investment property carried at fair value	-	-	5,233,505	5,233,505
-------------------------------------------	---	---	-----------	-----------

**38.4 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

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



	2025	2024
	----- (Rupees in '000) -----	
Opening balance (level 3 recurring fair values)	5,233,505	5,096,305
Fair value gain arised during the year	172,070	137,200
Closing balance (level 3 recurring fair values)	<u>5,405,575</u>	<u>5,233,505</u>

- 38.6 There were no transfers between levels 2 and 3 for recurring fair value measurements during the year.
- 38.7 The Company has revalued its Leasehold land, buildings on June 30, 2025 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.

#### 38.8 Determination of fair values

A number of the Company's accounting polices 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:

	2025				2024			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
(Rupees in '000)								
Managerial remuneration	8,697	-	8,349	17,046	6,735	-	6,957	13,692
Bonus	842	-	870	1,712	-	-	-	-
Fee	-	7,650	-	7,650	-	2,600	-	2,600
	9,539	7,650	9,219	26,408	6,735	2,600	6,957	16,292
Number of persons	1	10	3	14	1	10	3	12

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, 2025 and average during the year.

	No. of employees			
	As at June 30, 2025	As at June 30, 2024	Average 2025	Average 2024
Permanent	-	-	3	3
Contractual	23	23	20	20
	23	23	24	24

#### 41 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, where necessary to comply with the requirements of Companies Act, 2017. No major reclassification has been made in the financial statements.

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

Subsequent to the year ended June 30, 2025, the Board of Directors have proposed final cash dividend for the year ended June 30, 2025 of Rs. 1.40 per share, amounting to Rs. 514.06 million at their meeting held on Sep 30, 2025 for approval of the members at Annual General Meeting to be held on Oct 27, 2025

#### 43 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 13<sup>th</sup> SEP 2025 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