



ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

(Formerly Islamabad Stock Exchange Limited)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS/ MEMBERS OF ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

Pursuant to the Order of the Honourable Islamabad High Court (IHC), Islamabad in respect of the **Company Original No. 15/2025**, dated November 21, 2025, and upon the approval from the Chairman of the meeting (**Barrister Talha Ilyas Sheikh**), having been appointed by Honourable IHC, this notice is hereby given that the Extraordinary General Meeting ("EOGM") of the shareholders/members of ISE Towers REIT Management Company Limited ("ISETRMC" or "the Company") will be held on Tuesday, December 16th, 2025, at 03:30 PM at the registered office of the Company located at 55-B, ISE Towers, Jinnah Avenue, Islamabad – 44000, Pakistan, to transact the following business:

SPECIAL BUSINESS

To consider and, if deemed fit, pass the following special resolutions with or without any modification(s), addition(s) or deletion(s), to approve, adopt, and agree to the Scheme of Compromises, Arrangement and Reconstruction between ISE Towers REIT Management Company Limited (and its members) and ISE Realty Company Limited (ISERCL), (and its members), for the transfer of designated assets and liabilities from ISETRMC (as transferor) to ISERCL (as transferee), and for the reconstitution/reconstruction of the share capital and reserves of both companies pursuant to Sections 279 to 283 of the Companies Act, 2017, and other applicable provisions.

PROPOSED RESOLUTIONS

1. **"RESOLVED UNANIMOUSLY THAT** the Draft Scheme of Arrangement, for the restructuring/rearrangement/reallocation and issuance of the equity capital of the Company and the inter-company transfer of certain designated assets and liabilities, as per the specific Articles and Schedules detailed in the Scheme, and for the subsequent registration/launch of the REIT Scheme(s) and its future public listing, be and is hereby unanimously approved by the shareholders;" and
2. **"FURTHER RESOLVED UNANIMOUSLY THAT** the shareholders/members hereby grant approval to the terms, conditions, authorizations, and powers contained in Schedule-4 of the Scheme;" and
3. **"FURTHER RESOLVED UNANIMOUSLY THAT** the Board of Directors of the Company either by themselves, or through the CEO of the Company, be and are hereby authorized to undertake all necessary actions or take all required steps for the implementation of the Scheme, after the sanction thereof by the Honorable IHC;"
4. **"FURTHER RESOLVED UNANIMOUSLY THAT** subsequent to the sanction of the Scheme by the Honorable IHC, the Board of Directors of the Company, be and is hereby authorized

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

(Formerly Islamabad Stock Exchange Limited)

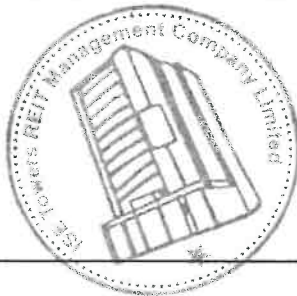
to change the name of ISETRMC to ISE Towers Limited, or any other suitable name as the Board may decide in its absolute discretion;" and

5. **"FURTHER RESOLVED UNANIMOUSLY THAT** the Board of Directors of the Company, be and are hereby authorized to make any subsequent/future changes, modifications or additions or alterations to the Scheme or to any particular part thereof (including any distribution ratio), which the Honorable IHC or the Commission may think fit to order, direct or impose or consider necessary for the removal of any difficulty arising from the Scheme and/or for its implementation or with respect to any matter connected therewith, under the authority of these resolutions, and without any further need for any specific approval from the shareholders of the Company in this matter;" and
6. **"FURTHER RESOLVED UNANIMOUSLY THAT** the Board of Directors of the Company, be and are hereby authorized to make the required changes in the Memorandum and Articles of the Company as proposed in the Scheme, or any other changes if so advised or directed or ordered or required by the Honorable IHC or the Commission, under the authority of these resolutions, and without any further need for any specific approval from the shareholders of the Company in this matter."

As directed by the Honorable IHC, the Chairman of the meeting shall submit his report to the Honorable IHC, within seven (7) days of the meeting.



Zeeshan Shafique
Company Secretary
Place: Islamabad
Dated: November 24, 2025



NOTES

1. A statement of information under sections 281(1)(a) and 134(3) of the Companies Act, 2017, setting out all material facts concerning the special business is made part of the notes to the notice of the meeting.
 2. The Share Transfer Books of the Company will remain closed from Wednesday, December 10, 2025 to Tuesday, December 16, 2025 (both days inclusive). Transfers approvals received at the Company's Shares Registrar office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, by the close of business on December 09, 2025 will be treated in time for the purpose of determining the entitlement to attend the EOGM.
 3. A member entitled to attend the EOGM may appoint another member of the Company as his / her proxy to attend the EOGM. A proxy form is enclosed. Proxies, in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of holding the meeting i.e., on or before 03:30 p.m. December 13, 2025.
 4. In case of individuals, the account holder or sub-account holder and / or the persons whose securities are in joint account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the EOGM.
 5. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced at the time of the meeting for participation in the EOGM.
 6. Interested shareholders/members may inspect or obtain copies of the Scheme, the statement under Section 281 of the Companies Act, 2017, recent annual/quarterly accounts, and other published information during business hours at the registered office until the conclusion of the EOGM.
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STATEMENT OF INFORMATION UNDER SECTION 281(1)(a)/134(3) OF THE COMPANIES ACT, 2017

1. ISE TOWERS REIT MANAGEMENT COMPANY LIMITED ("ISETRMC")

ISETRMC was initially incorporated as **Islamabad Stock Exchange (Guarantee) Limited** on October 25, 1989 under the Companies Ordinance, 1984 to operate as a stock exchange.

On August 27, 2012, ISE was converted into a public company limited by shares pursuant to the **Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012**.

On August 25, 2015, ISE entered into an MoU with KSE and LSE for the formation of the **Pakistan Stock Exchange Limited ("PSX")**. The Scheme of Integration was approved by SECP on January 11, 2016. Under this approval:

- ISE's stock exchange-related assets and liabilities were transferred to PSX
- ISE was renamed **ISE Towers REIT Management Company Limited**
- The Company obtained a license to operate as an **NBFC**

On May 18, 2023, the Company approved the launch of its first rental REIT, **ISE Towers REIT Scheme**, and received SECP's consent for registration on August 10, 2023.

2. ISE REALTY COMPANY LIMITED ("ISERCL")

ISERCL was incorporated on October 21, 2025 under the Companies Act, 2017. Its principal line of business is real estate development and marketing, including commercial, residential, mixed-use, and recreational projects, subject to applicable legal approvals. ISERCL is a **subsidiary of ISETRMC**. The primary purpose of ISERCL's formation is to receive designated assets and liabilities from ISETRMC under the Scheme. After implementation:

- ISERCL will become a **REIT Management Company**
- ISETRMC will transform into a **Special Purpose Vehicle (SPV)**

OBJECTIVES AND BENEFITS OF THE SCHEME

1. Objectives

1. To conduct real estate management business in a more structured and governable manner.
2. To transform ISETRMC into an SPV retaining real estate assets.
3. To transfer designated assets and liabilities (if determined) from ISETRMC to ISERCL.
4. To enable ISERCL to obtain a REIT Management Company license.
5. To amend the Memorandum and Articles of Association of both companies to reflect revised business objectives and names.
6. To authorize issuance and allocation of new shares between the entities and shareholders.
7. To create shareholding linkage between ISETRMC and ISERCL.

2. Benefits

1. Ensuring regulatory compliance with NBFC/REIT Regulations through proper segregation of REIT Property and Assets.
2. Allowing ISERCL to commence REIT Management operations and launch REIT schemes.

3. Enhancing the credibility of ISERCL as a REIT Management Company.
4. Facilitating transfer of the RMC license.
5. Categorizing ISETRMC as an SPV under the Scheme.
6. Enabling ISERCL to launch the **ISE Towers REIT Scheme** under RMC license.
7. Issuing pro-rata shares of ISERCL to current shareholders of ISETRMC.
8. Listing the **ISE Towers REIT Scheme (ISESCHEME)** units on PSX.
9. Unlocking value for existing shareholders through REIT units.
10. Enabling participation of outside investors in ISESCHEME through the stock exchange.
11. Swapping shares of ISETRMC with REIT units under the Scheme.

3. BOOK VALUE OF COMPANIES BEFORE & AFTER THE SCHEME

		ISETRMC	ISERCL
Before the Scheme			
Authorized Capital	Nos.	700,000,000	5,000,000
Issued Capital	Nos.	367,186,963	1,000
Par/Nominal Value	PKR/Share	10.00	10.00
Book Value	PKR/Share	22.57	10.00
After the Scheme			
Authorized Capital	Nos.	600,000,000	280,000,000
Issued Capital	Nos.	567,187,000	270,001,037
Par/Nominal Value	PKR/Share	10.00	10.00
Book Value	PKR/Share	13.20	10.36

OTHER MATTERS

1. Interest of Directors

Directors are interested to the extent of their shareholding and common directorships as disclosed in the Scheme.

2. Effect on Secured Creditors

There are no secured creditors.

3. Risk Factors

- a. The Scheme is yet to be approved by the shareholders.
- b. The Scheme is yet to be sanctioned by SECP and the Honourable Islamabad High Court.

4. Mitigants

- a. Both companies will continue operating normally until Court approval.
- b. Transfer of designated assets is internal; CCP provisions are not considered applicable.

5. Purchase of Shares by Other Companies

Nil.

6. Effect on Employee Funds

No employee transfers are envisaged.

7. Cost of the Scheme

ISETRMC shall bear all expenses relating to the Scheme.

8. Taxation Impact

No tax impact under Section 97A of the Income Tax Ordinance, 2001.

9. Financial Highlights

ISE Towers REIT Management Company Limited

Six Years Performance	2025	2024	2023	2022	2021	2020
	Rupees in million					
Profit & Loss						
Revenue	611.15	614.00	541.49	491.84	408.00	354.59
Administrative expenses	125.27	96.62	90.71	147.34	101.35	87.94
Fair value gain	172.07	137.20	940.87	109.67	201.14	102.25
Share of profit from associated companies	223.07	127.19	65.58	49.68	73.53	35.30
Income before taxation	899.95	781.88	1460.70	495.34	581.23	404.50
Income after taxation	733.89	645.97	1332.91	381.74	513.40	338.50
Net Profit	733.89	645.97	1332.91	381.74	513.40	338.50
Information per ordinary share						
Dividend [Rs per share]	1.40	1.05	0.93	0.65	0.60	0.33
EPS [Rs per share]	2.00	1.76	3.83	1.04	1.40	0.92
Breakup value [Rs per share]	22.57	21.08	20.52	17.48	17.03	15.45
Balance Sheet						
Property and equipment	1,303.33	1,292.15	1,195.58	1,160.04	1,123.07	1,054.48
Intangible assets	3.40	1.90	1.96	2.28	0.93	0.86
Investment property	5,405.58	5,233.50	5,098.31	4,155.84	4,046.97	3,845.84
Long term investments	797.00	833.05	498.06	448.52	415.46	347.70
Total Current Assets	1,086.47	845.20	999.94	839.86	797.71	533.71
Total Assets	8,643.87	8,068.56	7,830.10	6,600.04	6,474.63	5,877.45
Total Cash & Cash Equivalents	987,722.00	773,147	924,755	790,680	713,603	444,433
Equity + Revaluation Surplus	8,286.67	7,740.08	7,533.99	6,411.60	6,251.98	5,673.72
Total Non-Current Liabilities	52.88	56.06	48.99	41.35	38.08	34.84
Total Current Liabilities	304.34	292.42	247.12	216.09	184.57	168.90
Cash Flow Summary						
Net cash used in operating activities	234.11	243.90	254.53	274.87	249.08	200.90
Net cash (used)/ generated from investing activities	(71.11)	233.77	(93.55)	30.28	(133.19)	(96.62)
Net cash used in financing activities	(231.26)	(481.06)	(232.33)	(215.11)	(112.00)	(82.55)
Net increase / (decrease) in cash and cash equivalents	(68.27)	(3.40)	(71.35)	90.04	3.89	21.43

ISE Realty Company Limited - capital of Rs. 50.00 million

Not applicable – newly formed company with paid-up

	PKR
Cash and bank balances	10,000
	10,000
Share capital	10,000
	10,000

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

By and Between

**1. ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
(AND ITS MEMBERS)**

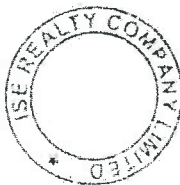
AND

**2. ISE REALTY COMPANY LIMITED
(AND ITS MEMBERS)**

The Scheme is:

1. for the transfer of designated assets and liabilities from **ISE Towers REIT Management Company Limited** (as a transferor) to **ISE Realty Company Limited** (as transferee); and
2. for the reconstitution/ reconstruction of share capital and reserves of both Companies;

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 OF THE COMPANIES ACT, 2017)



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A handwritten signature in black ink, appearing to read "S. D. Singh".



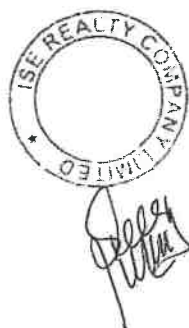
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SCHEDULES

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PREAMBLE

I. COMPANIES UNDER THE SCHEME:

1. ISE TOWERS REIT MANAGEMENT COMPANY LIMITED (ISETRMC)

ISETRMC ("the Company") was initially incorporated 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 the business as a stock exchange.

On August 27th, 2012, ISE, was converted into a public company limited by shares on issuance of certificate of re-registration by the Registrar of Companies in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (Demutualization Act).

On August 25, 2015, ISETRMC entered into a Memorandum of Understanding (MoU) 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). On January 11, 2016, SECP approved the scheme of integration under the Demutualization Act through its order number 01/2016. As a consequence of this approval of integration, the name and scope of the ISE was changed to "ISE Towers REIT Management Company Limited" with the grant of a license to function as a Non-Banking Finance Company (NBFC). As per the SECP's order, the agreed assets / liabilities of the stock exchange business of ISE were also transferred to PSX.

After the establishment of ISETRMC as an NBFC, the Commission, however, made certain observations about the non-compliance of ISETRMC with the NBFC Rules. One of the non-compliances pertained to the presence of land and building in the balance sheet of ISETRMC. The NBFC regulations required that a non-banking company could acquire and hold the real estate assets only for its office purposes. Another non-compliance was the holding of shares/investments beyond the permitted limit of 10% of any investee company. In this case, ISETRMC's holdings in Pakistan Mercantile Exchange and National Clearing Company of Pakistan breached the limit imposed under the NBFC Rules. Thus, although the origin of ISETRMC started under the orders of the Commission, subsequently the Commission required that it was obligatory for ISETRMC to become compliant with the NBFC framework.

Additionally, the Commission has also instructed ISETRMC to divest its shareholdings in CDC and NCCPL, as it does not meet the eligibility criteria prescribed for shareholders in these entities. The proposed Scheme will also ensure compliance with the SECP requirement in this regard.

On May 18, 2023, the Company registered its first rental REIT scheme "ISE Towers REIT scheme", after which it obtained the consent of the SECP for the registration of the ISE Towers REIT scheme on August 10, 2023.

Currently, the principal activity of the Company is to form, launch and manage Real Estate Investment Trust (REITs) under the REIT Regulations, 2022.



The following is the basic corporate information of ISETRMC:

The Corporate Unique Identification Number (CUIN) of ISETRMC is 0020438.

Registered office - 55-B, ISE Towers, Jinnah Avenue, Islamabad-44000, Pakistan
RMC license no. - SECP/LRD/LD/6/IS/TS/2023 dated March 14, 2025
External Auditors - BDO Ebrahim & Co., Chartered Accountants
Legal Advisors - M/s. Hassan & Hassan (Advocates)
M/s. Hassan Kaunain Nafees (Legal Practitioners and Advisers)

Authorized Capital	Nos.	700,000,000
Par/Nominal Value	Rs. /Share	10.00
Issued Capital	Nos.	367,186,963

Board of Directors:

1. Haroon Ihsan Piracha	-	Chairman & Director
2. Sagheer Mushtaq	-	Chief Executive Officer
3. Adil Khan Swati	-	Director
4. Muhammad Farooq Iqbal	-	Independent Director
5. Haider Khaqan Abbasi	-	Director
6. Marium	-	Female Director
7. Minahil Ali	-	Female Independent Director
8. Mohammad Masud	-	Independent Director
9. Muhammad Asad Ghani	-	Independent Director
10. Sohail Altaf	-	Director
11. Zahid Latif Khan	-	Director

Pattern of Shareholding - as on June 30, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
HAROON IHSAN PIRACHA	1	990	0.00
MUHAMMAD FAROOQ IQBAL	1	1	0.00
SOHAIL ALTAF	1	6,639,206	1.81
MOHAMMAD MASUD	1	1,000	0.00
ZAHID LATIF KHAN	1	500	0.00
ADIL KHAN SWATI	1	20,681,571	5.63
MINAHIL ALI	1	1	0.00
MUHAMMAD ASAD GHANI	1	1	0.00
MARIUM	1	1	0.00
HAIDER KHAQAN ABBASI	1	1	0.00
Associated Companies, undertakings and related parties			
NIT and ICP	4	6,067,706	1.65
Banks Development Financial Institutions, Non-Banking Financial Institutions	1	1,213,841	0.33
Insurance Companies	10	23,062,983	6.28
Modarabas and Mutual Funds	0	-	-
General Public	3	3,069,206	0.84
a. Local	105	98,716,201	26.88
b. Foreign	-	-	-
Foreign Companies	-	-	-



OTHERS	85	207,733,754	56.57
Totals	218	367,186,963	100.00
Shareholders holding 10% or more			
		Shares Held	Percentage
AIRBLUE LIMITED		54,071,230	14.73

The total number of shareholders of ISETRMC as of the Effective Date are **218**.

Under the Scheme, the share capital of ISETRMC will not be changed for the ordinary shares, however, the pattern of shareholding can change till the Sanction Date.

Statement of Financial Position as on June 30, 2025 (audited)

	June 30, 2025 Rs. in 000		June 30, 2025 Rs. in 000
ASSETS		NON-CURRENT LIABILITIES	
NON-CURRENT ASSETS		Long term deposits	26,166
Property and equipment	1,303,327	Deferred liabilities	26,689
Intangible assets	3,403		52,855
Investment property	5,405,575	CURRENT LIABILITIES	
Long term investments	797,001	Accrued and other payables	60,096
Long term deposits	38,550	Advances and deposits	191,278
Deferred taxation	9,541	Tax payable to government	15,404
	7,557,397	Unclaimed dividend	37,561
			304,339
CURRENT ASSETS		Authorized share capital	7,000,000
Receivables	82,387	Issued, subscribed and paid up capital	3,671,870
Advances and prepayments	16,361	Surplus on revaluation of property	
Short term investments	976,378	and equipment	459,584
Cash and bank balances	11,344	Other reserves	4,155,219
	1,086,470		8,286,673
TOTAL ASSETS	8,643,867	TOTAL EQUITY AND LIABILITIES	8,643,867



ISE REALTY COMPANY LIMITED ("ISERCL")

ISERCL is a company incorporated on October 21, 2025, under the Companies Act, 2017.

The principle line of business of the company shall be marketing and development of all type of real estate projects on developed or undeveloped land, housing or other commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities etc.; with the permission of the concerned authorities and compliance with applicable laws and regulations, and the company shall not invite and accept deposits from the public.

Moreover, the main purpose of the formation of the Company is to transfer designated assets and liabilities (if determined) from ISETRMC to ISERCL. ISERCL is a subsidiary of ISETRMC.



Once the Scheme is implemented, ISERCL will become a REIT Management company under the operation of law and as a consequence of this Scheme, while ISETRMC will be categorized as a Special Purpose Vehicle (SPV) under a different name. ISERCL shall come to hold a certain percentage of equity (shares) holding in ISETRMC under the Scheme.

CUIN 0312684

Registered office G-12, 55-B, ISE Towers, Jinnah Avenue, Blue Area, Islamabad-44000, Pakistan

Authorized Capital	Nos.	5,000,000
Par/Nominal Value	Rs./Share	10.00
Issued Capital	Nos.	1,000

Board of Directors

1. Haroon Ihsan Piracha	-	Director
2. Adil Khan Swati	-	Director
3. Haider Khaqan Abbasi	-	Director
4. Marium	-	Female Director
5. Sohail Altaf	-	Director
6. Zahid Latif Khan	-	Director
7. Muhammad Farooq Iqbal	-	Director
8. Muhammad Asad Ghani	-	Director
9. Mohammad Masud	-	Director
10. Minahil Ali	-	Director

Sagheer Mushtaq - Chief Executive Officer/Non-Director

External Auditors - BDO Ebrahim & Co., Chartered Accountants

Legal Advisors - M/s. Hassan Kaunain Nafees (Legal Practitioners and Advisers)

Pattern of Shareholding

1. Haroon Ihsan Piracha	-	01
2. Adil Khan Swati	-	01
3. Haider Khaqan Abbasi	-	01
4. Marium	-	01
5. Sohail Altaf	-	01
6. Zahid Latif Khan	-	01
7. Muhammad Farooq Iqbal	-	01
8. Muhammad Asad Ghani	-	01
9. Mohammad Masud	-	01
10. Minahil Ali	-	01
11. ISE Towers REIT Management Company Limited	-	990

Total - **1,000**

The total number of shareholders of ISERCL as of the Effective Date is 11. The number and pattern of shareholding may change till the Sanction Date, however the share (equity) capital of the company won't be changed till then.

The financial position of ISERCL, as on incorporation date is reflected via the Certificate of Receipt of Subscription Money which is attached as Schedule 3:



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II. OBJECTIVES AND BENEFITS

1. Objective of the Scheme

- 1) To carry out the real estate management business in a structured and governable manner.
- 2) To enable the present ISETRMC to become a Special Purpose Vehicle retaining all real estate assets.
- 3) To enable the transfer of certain Designated assets and liabilities (if determined by the Board of Directors of the Company) of ISETRMC (Schedule – 1) to ISERCL.
- 4) To position ISERCL to obtain license as a REIT Management Company by way of transfer from ISETRMC and start providing the REIT Management Services and to launch REIT Scheme(s).
- 5) To change the Object Clauses of the Memorandum of Associations of ISETRMC and ISERCL so that they can mutually adopt new principal line of businesses including the changes in their respective name(s).
- 6) To introduce appropriate changes in the Articles of Association of ISETRMC and ISERCL under the Scheme.
- 7) To authorize the issuance of certain additional shares of ISETRMC to ISERCL under the Scheme.
- 8) To allocate/issue the above additional shares of ISERCL to the shareholders of ISETRMC under the Scheme.

2. Benefits of the Scheme

- 1) Enabling the successor companies of the erstwhile ISE to become fully compliant with the NBFC/REIT Regulations by separating the SPV and Non SPV assets as per REIT Regulations and REIT Assets from the NBFC.
- 2) Enabling ISERCL to start functioning as a REIT Management Company and focus on the launch of REIT Scheme(s).
- 3) Positioning ISERCL as a credible and progressive provider of REIT Management Services.
- 4) Transferring the license of REIT Management Services from ISETRMC to ISERCL.
- 5) Categorizing the present ISETRMC as Special Purpose Vehicles (SPV).
- 6) Enabling ISERCL to file/launch ISE Towers REIT Scheme with the permission from the Commission under the Real Estate Investment Trust Regulations, 2022.
- 7) Allocating pro-rata shares of ISERCL to the present shareholders of ISETRMC in proportion to their present shareholding in ISETRMC
- 8) Creating shareholding linkage between ISERCL and ISETRMC under the Scheme.
- 9) Listing the ISE TOWERS REIT SCHEME (ISESCHEME) Units on PSX.
- 10) Unlocking the value of ISETRMC for the current shareholders who will get the Units of ISESCHEME.
- 11) Enabling the participation of outside general investors in the buying and selling of the units of ISESCHEME and benefiting from its associated rental income stream.
- 12) Changing the name of the author of the Trust to ISE Realty Company Limited (ISERCL) under the Scheme, which would enable ISERCL to operate the ISESCHEME with the Initial Trust beneficiaries being the shareholders of ISETRMC and ISERCL as well under the ISESCHEME.
- 13) Exchanging the shares of ISETRMC with the units of the ISESCHEME under the Scheme. It may be mentioned that ISESCHEME already stands registered as a trust under Section 16 of the Sindh Trust Act, 2020 vide registration no. KAR/ST/018/2023 dated May 18, 2023, whose details is as under:



[Signature]

Name of Trust	ISE Towers REIT Scheme (ISESCHEME)
Main Office Address of the Trust	Office No. 206, 2 nd Floor, M. Yousaf Chamber, Block 7 & 8, K.C.H.S.U., Off Sharah-e-Faisal, Karachi.
Head Office of the Trust	55-B, ISE Towers, Jinnah Avenue, Islamabad-44000, Pakistan
Objective of the Trust	The purpose of the Trust is to make investment in commercial real estate with the purpose of generating rental income for the

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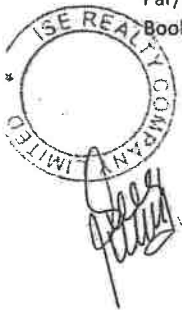
benefits of its unitholders. REIT assets are to be managed, operated and administered by RMC, for the purpose of ISESCHEME, which scheme is a closed ended trust for the purposes of the REIT regulations. The unitholders of ISESCHEME shall be the beneficiaries of the Trust, being the exclusive lawful owners of the REIT Assets.

Authors' Name and Address	ISE Towers REIT Management Company Limited (ISETRMC) 55-B, ISE Towers, Jinnah Avenue, Islamabad-44000, Pakistan
Trustee	Central Depository Company of Pakistan Limited (CDC) CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal, Karachi-74400
Beneficiaries	Unitholders of the REIT Scheme, being the exclusive beneficial owners of the REIT Assets.
Type of the Scheme under the REIT Regulations	Rental REIT Scheme

The Assets and Liabilities of the ISE Towers REIT SCHEME is NIL as on June 30, 2025.

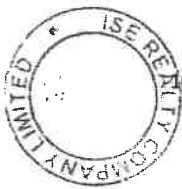
III. BOOK VALUE OF THE COMPANIES/ENTITIES BEFORE & AFTER THE SCHEME

		ISETRMC	ISERCL
Before the Scheme			
Authorized Capital	Nos.	700,000,000	5,000,000
Issued Capital	Nos.	367,186,963	1,000
Par/Nominal Value	PKR/Share	10.00	10.00
Book Value	PKR/Share	22.57	10.00
After the Scheme			
Authorized Capital	Nos.	600,000,000	280,000,000
Issued Capital	Nos.	567,187,000	270,001,037
Par/Nominal Value	PKR/Share	10.00	10.00
Book Value	PKR/Share	13.20	10.36



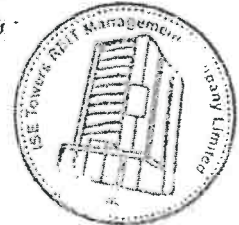
ARTICLE – 1 - DEFINITIONS

- I. In this Scheme of Reconstruction (including the preamble hereto), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:
1. “Act” means the Companies Act, 2017.
 2. “CDC” means the Central Depository Company of Pakistan Limited.
 3. “Commission / SECP” means the Securities and Exchange Commission of Pakistan including its regional offices.
 4. “Completion” or “Completion Date” means the date being within 120 days of the Sanction Date when REIT Assets are transferred (as per Article – 3) from the Transferor to the Transferee and when the units are transferred/issued/distributed/allotted as per distribution ratio determined in this Scheme (as per Article-3). During this, all governmental regulatory agencies, land, revenue and utility bodies/departments and capital market entities shall be required to complete the processing of their respective NOCs, permissions, approvals, and transfers to complete the actions required under the Scheme and to comply with the orders of the honorable Islamabad High Court thereby enabling the entities involved in this Scheme to effectuate and implement the Scheme.
 5. “Court” means the Islamabad High Court, Islamabad or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 and Section 89 of the Companies Act, 2017 in connection with this Scheme.
 6. “Effective Date” means 00:00 hours as on June 30, 2025, or such other date as may be approved by the Court on the request of the parties to this Scheme.
 7. “ISERCL” means ISE Realty Company Limited, a public limited company formed under Companies Act, 2017.
 8. “ISESCHEME or THE REIT SCHEME” means the ISE Towers REIT Scheme, which is already registered as a trust under the Sind Trust Act, 2020.
 9. “ISETRMC / the Company” means ISE Towers REIT Management Company Limited, a public limited company formed under Companies Act, 2017.
 10. “NBFC Rules” collectively and interchangeably mean the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, and Non-banking Finance Companies & Notified Entities Regulations, 2008, as amended, substituted or reenacted from time to time.
 11. “PSX” means Pakistan Stock Exchange Limited.
 12. “Rs.” or “PKR” shall mean “Rupees”, being the legal tender money of the Islamic Republic of Pakistan;



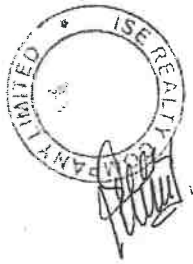
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13. "Sanction Date" shall have the same meaning ascribed thereto in Article 5(I)(vi), being the day on which the honorable Islamabad High Court approves the Scheme (whichever is later) and on which day the Scheme becomes operative.
14. "Scheme" means this Scheme of Reconstruction in its present form, with any modification thereof or addition hereto, as approved by the Court and/or the SECP.
15. "Transferee" means ISERCL.
16. "Transferor" means ISETRMC.
17. "Units" shall mean the instrument of ownership of the REIT Scheme (ISESCHEME) signifying the beneficial interest of the unitholders in ISESCHEME.
18. "Unit Holder(s)" shall mean the person who is legal owner of one or more Units and whose name appears in the Register of unit Holders.

II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.



ARTICLE – 2 – THE SCHEME OF ARRANGEMENT

I. GENERAL

1. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act, for the transfer and vesting of the Designated Assets and Liabilities of ISETRMC to ISERCL (Schedule – 1) with the same rights, obligations, privileges and covenants.
2. The main purpose of the formation of ISERCL is to transfer the Designated Assets and Liabilities (if determined by the Board of Directors of the Company) of ISETRMC to the ISERCL. It may be mentioned that regardless of the incorporation date of ISERCL (which is October 21, 2025), the transfer of the Designated Assets and Liabilities from ISETRMC to ISERCL will be deemed effective from the Effective Date and the company shall be taken to be in existence.
3. This Scheme shall also re-characterize/ reconstruct the retained earnings, revenue reserves, capital reserves and revaluation reserves of ISETRMC and ISERCL described in Schedule - 2 - Statement of Financial Position showing the Scheme Effect.
4. This Scheme shall issue additional shares of ISETRMC to ISERCL under the Scheme.
5. This Scheme shall also result in the issuance of ISERCL (additional shares) to the shareholders of ISETRMC.
6. ISERCL will start acting as REIT Management Company with the transfer of the license of REIT Management Services of ISETRMC under the operation of law. ISETRMC will be categorized as a Special Purpose Vehicle (SPV) for the purposes of ISESCHEME (under the Real Estate Investment Trust Regulations, 2022) after the sanction of this Scheme by the honorable Islamabad High Court and the effectuation/implementation of the Scheme.
7. As per Section 285 (5) of the Act, notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force, no stamp duty shall be payable on the transfer/ distribution of the assets & liabilities under the Scheme.

II. ASSETS AND LIABILITIES TO BE TRANSFERRED FROM ISETRMC TO ISERCL

1. The assets and liabilities to be transferred from ISETRMC to ISERCL includes long term investments in the equity shares of National Clearing Company of Pakistan Limited (NCCPL), Pakistan Mercantile Exchange Limited (PMEX), Central Depository Company of Pakistan Limited (CDC) and VIS Credit Rating Company Limited (VIS). Liabilities (to be transferred) may be determined by the Board of Directors of the Company (ISETRMC) on Sanction Date.
2. These investments in the unlisted shares, including any short-term investment shall be transferred (without any further approval) with all rights, obligation, charges, hypothecation, and restriction, if any, and with the cost of acquisition and acquisition date (in the books of ISETRMC) to ISERCL.

III. CONDUCT OF BUSINESS BY ISETRMC TILL THE COMPLETION DATE

1. During the interim period (i.e. from the Effective date till Sanction Date), ISETRMC can deal in the Designated Assets and Liabilities, if any (Schedule – 1) to be transferred from ISETRMC to ISERCL in any manner as it may deem fit. It may also dispose of any of the designated assets and pay off part or whole of the designated liabilities, during this period, if any.
2. The Board of Directors of ISETRMC may also pay dividends to the shareholders during the interim period (i.e. from Effective date till Sanction Date) in any manner as they may deem fit.



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3. As on Sanction Date, the Board of Directors of ISETRMC will re-determine the assets and liabilities to be transferred to ISERCL and such transfer will be with all rights, obligation, charges, hypothecation, and restriction, if any and with the cost of acquisition and acquisition date.
4. The above redetermination, however, will not affect the share allocation/issuance/distribution including any additional capital. The difference, if any, will be credited/charged to capital reserves or retained earnings.

IV. DETERMINATION OF THE UNDERTAKING AND BUSINESS

1. A balance sheet:
 - 1) has been prepared by ISETRMC (appended herewith as Schedule - 3) as on the Effective Date;
 - 2) shall be prepared by ISETRMC on the Sanction Date and which shall be audited by the Auditors of ISETRMC, within ninety (90) days of the Sanction Date;
 - 3) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of ISETRMC.
2. A balance sheet:
 - 1) has been prepared by ISERCL (appended herewith as Schedule- 3 - Certificate of Receipt of Initial Subscription Money), as reflected in the books of account of ISERCL immediately preceding the Incorporation date;
 - 2) shall be prepared by ISERCL on the Sanction Date and which shall be audited by the Auditors of ISERCL, within ninety (90) days of the Sanction Date;
 - 3) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of ISERCL.
3. The Statement of Financial Position showing the Scheme Effect shall be prepared by the Board of Directors based on the audited financial statement as on Sanction Date (and on the basis of Board of Directors' decision for the redetermination, as the case may be) that will show the assets, liabilities, reserves that shall needs to be transferred/distributed on the Sanction Date and this Statement will be certified by the practicing Chartered Accountant.
4. The name of ISETRMC shall be changed to ISE Towers Limited or any other appropriate name for which the required changes in the Memorandum and Articles of Association shall be made once the Scheme is approved by the honorable Islamabad High Court. No further approval shall be required from the shareholders regarding this.



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5. The name of ISERCL shall be changed to ISE REIT Management Company Limited (ISERMC) or any other appropriate name, if required by the Board of ISETRMC (or directed) by SECP or the honorable Court. Appropriate changes in the Memorandum and Articles of Association shall be made once the Scheme is approved by the honorable Islamabad High Court. No further approval shall be required from the shareholders regarding this.

6. The assets and liabilities to be transferred by and between the companies are summarized as under:

	ISETRMC	ISERCL
Long term investments	(797,001)	797,001



ARTICLE – 3 – EQUITY CAPITAL AND MANAGEMENT

I. CHANGES IN THE MEMORANDUM & ARTICLES OF THE COMANIES

1. Under the Scheme, and to accommodate the issuance of shares, all necessary/required changes in the Memorandum and Articles of Association of ISETRMC and ISERCL shall be made on or before issuance of shares. No further approval from the shareholders shall be required to affect the changes in the Memorandum and Articles of Association of ISETRMC and ISERCL.
2. All requisite fees shall be paid to SECP for the increase in the combined authorized capital for ISETRMC and ISERCL.
3. The share certificates of ISETRMC and ISERCL shall be made eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of ISETRMC and ISERCL shall be directly credited by book entries in the CDS.
4. After the Sanction Date, Clause 5 of the Memorandum of Association of ISETRMC shall be substituted/alterd with the following Clause:

"The authorized capital of the Company is Rs. 6,000,000,000 /- (Rupees Six Thousand Million only) divided into 600,000,000 ordinary shares of Rs. 10/-."

5. The principal line of business (and all relevant object clauses) of ISETRMC shall be changed as under:

(i) The principle line of business of the company shall be marketing and development of all type of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities etc.; with the permission of concerned authorities and compliance with applicable laws and regulations, and the company shall not invite and accept deposits from the public.

(ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Asset Management Services, Leasing, Investment Finance Services, Investment Advisory Services, REIT management Services, Housing Finance Services, Private Equity and Venture Capital Fund Management Services, Discounting Services, Pension Fund Scheme Business, Micro Financing), Corporate Restructuring Company, Insurance Business, Modaraba management company, Stock Brokerage business, forex, Clearing House, Securities and Futures Advisor, Commodity Exchange, managing agency, business of providing the services of security guards or any other business subject to license and restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation.
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business.
- (c) engage in any of the permissible businesses unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

6. All other Object Clauses, if any, shall be deleted.



7. Any requisite changes in the Articles of Association of ISETRMC, if required, shall also be made without any further approval from the shareholders. The Board of Directors of ISETRMC shall have power to make the requisite changes.

8. After the Sanction Date, Clause 5 of the Memorandum of Association of ISERCL shall also be substituted/alterd with the following Clause:

"The authorized capital of the Company is Rs. 2,800,000,000 /- (Rupees Two Thousand Eight Hundred Million only) divided into 280,000,000 ordinary shares of Rs. 10/- each."

9. The principal line of business (and all relevant object clauses) of ISERCL shall be changed as under:

(i) The principal line of business of the Company is to carry on all or any business permitted to be carried out by a "REIT Management Company" in terms of the license to provide REIT management services granted by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 read with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (as amended, replaced or supplemented from time to time) and the Real Estate Investment Trust Regulations, 2022 or replacement thereof and to take all necessary steps and actions in connection therewith and ancillary thereto.

(ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Asset Management Services, Leasing, Investment Finance Services, Investment Advisory Services, Housing Finance Services, Private Equity and Venture Capital Fund Management Services, Discounting Services, Pension Fund Scheme Business, Micro Financing), Corporate Restructuring Company, Insurance Business, Modaraba management company, Stock Brokerage business, forex, Clearing House, Securities and Futures Advisor, Commodity Exchange, managing agency, business of providing the services of security guards or any other business subject to license and restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

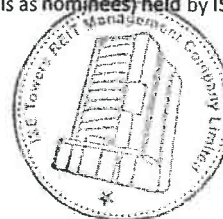
- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation.
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business.
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

10. All other Object Clauses, if any, shall be deleted

11. Requisite changes in Articles of Association of ISERCL, if required, shall also be made without any further approval from the shareholders. Board of Directors of ISERCL shall have power to make requisite changes.

12. 200,000,037 ordinary shares of ISETRMC (as an additional capital) shall be issued to ISERCL.

13. The Shares of ISERCL (1,000 shares including shares held by individuals as nominees) held by ISETRMC shall be cancelled.



II. EQUITY CAPITAL MANAGEMENT

1. After the Sanction Date, the Board of Directors of each Company shall determine the Entitlement Dates and distribute/ issue the shares in the following sequence:
 - a. First, the authorized capital of each company (ISETRMC and ISERCL) shall be changed upon payment of the requisite fees to SECP.
 - b. Then the additional shares of ISETRMC shall be issued to ISERCL.
 - c. Then additional shares of ISERCL shall be issued to the shareholders of ISETRMC.
2. The shares issuance shall be as follows:

		ISETRMC	ISERCL
Before the Scheme			
Shares Outstanding	Nos.	367,186,963	1,000
Under the Scheme			
Shares of ISETRMC to be issued to ISERCL	Nos.	200,000,037	
Additional Shares of ISETRMC to be issued to the Shareholders of ISETRMC	Nos.	-	
Additional Shares of ISERCL to be issued to the Shareholders of ISETRMC	Nos.		270,000,037
Shares issued to ISETRMC to be cancelled	Nos.		(1,000)
After the Scheme			
Shares Outstanding		567,187,000	270,000,037

3. The ratio of issuance of the additional shares of ISERCL to the shareholder of ISETRMC on the Entitlement Date shall be **73.53** of ISERCL shares against every 100 shares of ISETRMC held by the shareholders ("Distribution Ratio").
4. The accounting effect and changes in the reserves and capital of both companies, are fully given in the Schedule-2.



ARTICLE – 4 – RIGHTS AND OBLIGATIONS

I. GENERAL

1. All assets shall be transferred to ISERCL (as given in the Schedule – 1) with all rights (equitable and legal) and obligations.
2. After the Sanction Date, if the Board of Directors of ISETRMC so decides, then all taxes on **income**, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the assets transferred to ISERCL shall, shall be deemed to, be to the benefit and credit of ISETRMC and shall be transferred to ISERCL.
3. In terms of the changes in the authorized capital, all requisite changes in the Memorandum and Articles of Association of ISETRMC and ISERCL shall be allowed in so far as the fee for the combined authorized capital of both the companies already stands paid to the SECP. Only, the fee for the issuance of any increase in the combined authorized capital shall be required to be paid.
4. The impact of shuffling/adjustment in the Authorized Capital of both Companies is shown below, and the requisite fee for only the additional authorized capital, i.e Rs. 1.75 billion shall be payable as shown below:

Authorized Capital		ISETRMC	ISERCL
Before the Scheme	Rupees '000	7,000,000	50,000
After the Scheme	Rupees '000	6,000,000	2,800,000
		(1,000,000)	2,750,000
Additional Authorized Capital	Rupees '000		1,750,000

5. The assets acquired by the transferee (ISERCL) shall be treated as having the same character as the same had in the hands of the transferor (ISETRMC).

II. TRANSFER OF STAFF AND EMPLOYEES

1. No transfer of staff is envisaged in the Scheme. However, as the companies under this Scheme have a parent-subsidary relationship, therefore the Board of Directors of ISETRMC may decide about any adjustment/transfer of staff between the two companies.



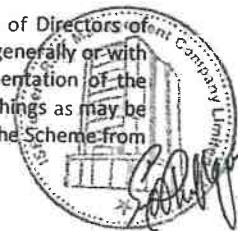
ARTICLE – 5 – GENERAL PROVISIONS

I. SANCTION AND EFFECTIVENESS OF SCHEME

1. This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 (along with Section 283) of the Act for bringing the Scheme into effect.
2. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the Court may approve.
3. This Scheme shall become effective, with such modification or addition, if any, also subject to any conditions which the Court may impose.
4. The respective Boards of Directors of ISETRMC and ISERCL have approved the foregoing Scheme for the submission of the same to the Court.
5. The respective Board of Directors of ISETRMC and ISERCL, have also authorized, consented to, on behalf of all concerned, to any modifications or additions or alterations to this Scheme or to any conditions to be accepted by the Board of Directors of ISETRMC, which the Commission or the Court may think fit to advise, instruct, impose and for which they may give any directions, as deemed necessary to settle any question(s) or difficulty arising under this Scheme or with regard to its implementation or any other matter connected therewith.
6. The provisions of this Scheme shall become binding and operative on the date (the "Sanction Date") when a certified copy of the order of the Court, sanctioning this Scheme under Section 279 of the Act and by making any necessary provisions under Section 282 of the Act, is issued.
7. Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the transfer of the Designated Assets and Liabilities (as re-determined on the Sanction Date) of ISETRMC, and transfer to and vesting of the same in ISERCL, shall be deemed to have taken place on the "Effective Date" and the same shall be treated accordingly, as per the provisions of this Scheme.
8. Following the Sanction Date, and except as expressly or otherwise stated herein, any or the whole part of the Designated Assets and Liabilities to be transferred by ISETRMC, shall be recorded in the books of account of ISERCL (as per Schedule – 1) at the respective values appearing in the books of account of ISETRMC (as the case may be) on the date preceding the Effective Date. For accounting purposes, only the recording of the transfer of the balance(s) from the books of the Transferor to the books of Transferee shall serve the purpose. Moreover, for the profit and loss items in the books of accounts, the only effect shall be shown in the Statement of Changes in Equity and no corresponding changes shall be made in the Statement of Profit and Loss for the interim period between the Effective Date and the Sanction Dates.

Each of ISETRMC and ISERCL shall take all actions and execute all formalities considered and deemed necessary and expedient by their respective Boards of Directors to properly and smoothly cause the transfer and vesting of the respective Designated assets and liabilities, if determined, in the manner stated herein and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.

10. Without prejudice to the generality of the foregoing, the respective Boards of Directors of ISETRMC and ISERCL, upon the due approval of the Scheme by the Court, may generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, authorize any person(s) or officials to carry out such acts, deeds and things as may be deemed expedient and necessary, for a proper and smooth implementation of the Scheme from time to time.



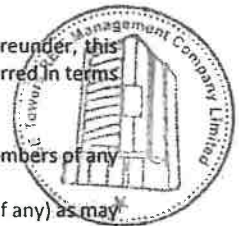
11. As of the **Sanction Date**, the terms of this Scheme shall become binding on each of **ISETRM**C and **ISERCL** and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
12. All costs, charges and expenses, incurred / to be incurred in relation to or in connection with this Scheme of Arrangement and for carrying out the implementation of the Scheme or incidental to the completion of this Scheme, shall be borne and paid by **ISETRM**C.
13. There can be difference in the tax year(s) between the Effective Date and the Sanction Date. The filed tax returns shall not be changed/revised for the Effective Dates for the entities involved (i.e. **ISETRM**C and **ISERCL**). Moreover, tax position as on Sanction date shall be carried forward to the transferee i.e. from **ISETRM**C to **ISERCL**.
14. As allowed under Section 97A of the Income Tax Ordinance, 2001, no gain or loss shall be taken to arise on disposal/transfer/distribution of asset from the Transferor to the Transferee by virtue of the Scheme. Similarly, no double taxation impact (in the form of withholding taxes or/and collecting taxes or/and assessment basis and accordingly Section 236Z and Section 108 of the Income Tax Ordinance, 2001 shall not be applicable) shall be made/ levied on the **income**, profits and revenues of the companies/ entities involved in this Scheme by virtue of this Scheme. For the avoidance of doubt, only the net of tax balances shall be transferred.

II. MATTERS RELATED TO THE REIT SCHEME

1. The ultimate purpose of the Scheme is to enable the launch of the **REIT Scheme** under the **SPV Model**. Subsequent to the Scheme, **ISETRM**C (and any other undertaking) will be characterized as an **SPV**. Accordingly, the shares of **ISETRM**C shall be exchanged with the closed-end units under the **REIT Scheme**.
2. Under Section 97A of the Income Tax Ordinance, 2001, no gain or loss shall be taken to arise from/on this exchange transaction irrespective of any ratio used in this exchange for the purposes of the **REIT Scheme**, which i.e. number of units of **REIT Scheme** to be given against one share of **ISETRM**C or any other interest including partnership interest). This exchange shall be considered as part of this Scheme as the person acquiring an asset (i.e. the **REIT Scheme Units**) shall be treated as the same person disposing of the asset (i.e. the shares of **ISETRM**C). Similarly, as the exchange shall involve assets of the same character, therefore the cost for the **acquisition/exchange** of these assets shall be treated as the same.
3. Moreover, under Section 37 of the Income Tax Ordinance, 2001, when the **REIT Scheme** is listed on Pakistan Stock Exchange Limited (main board or the **GEM Board**), **NCCPL** shall become responsible for the calculation and collection of the capital gains under the relevant rules.
4. The **REIT Trust** is already formed for the **REIT Scheme**. The units of the **REIT Scheme** (to be issued by the Trustee) shall be exchanged with the shares of **ISETRM**C by the Trustee, under the effect of this Scheme.

III. MISCELLANEOUS

1. Subject only to the following and in the case of occurrence of the events provided hereunder, this Scheme shall become null and void and no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
 - 1) if the Scheme is not approved by the requisite majority of the shareholders and members of any of **ISETRM**C and **ISERCL**.
 - 2) if the sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of **ISETRM**C and **ISERCL**.



Signature

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2. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
 3. The section or headings used in this Scheme, are solely for the purpose of convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
 4. The transfer, vesting and amalgamation of the Undertaking and Businesses in terms of this Scheme shall not: (i) constitute any assignment, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.
 5. The distribution ratios used in this Scheme (as mentioned in this Scheme and having been duly approved by way of the special resolution) will not be changed unless directed (and accepted by the Company) by the Commission or the honorable Islamabad High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in the goodwill or capital reserves, as the case may be. No further approval for any change having been ordered by the SECP or the honorable Court, shall be required from the shareholders of the Company.
 6. The Board of Directors of ISETRMC shall have the power to rectify any rounding errors or typographical errors, calculation errors and other errors, if any in the Scheme and it will not affect the spirit and efficacy of the Scheme.
 7. In case of any ambiguity or conflict and actual transfer of assets, liabilities and reserves, the Board of Directors of ISETRMC shall be the authority to decide and resolve the issue before and after the Sanction Date.
 8. Difference in Ordinary shares due to rounding shall be issued to any retirement fund of the ISETRMC.
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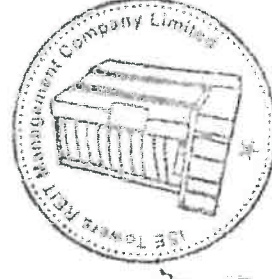
SCHEDULE – 1 The Assets and Liabilities of ISE Towers REIT Management Company Limited to be transferred with and into ISE Realty Company Limited

Long term investments	No. of Shares	Value Rupees '000
National Clearing Company of Pakistan Limited (NCCPL)	11,865,238	385,035
Pakistan Mercantile Exchange Limited	15,869,316	182,982
Central Depository Company of Pakistan Limited	8,750,000	217,789
VIS Credit Rating Company Limited	100,000	11,195
		797,001

- Transferring the license of REIT Management Services from ISETRMC to ISERCL.



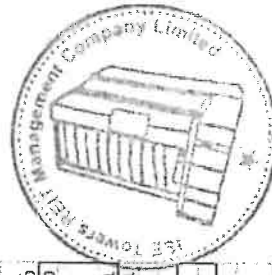
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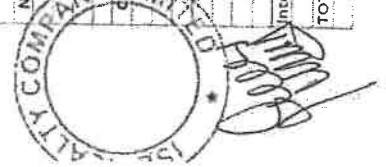
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SCHEDULE - 2 Statement of Financial Position showing the Scheme Effect

	Before Scheme		Bifurcation		Scheme Adjustment		After Scheme Effect	
	ISETRM	ISERCL	SPV Assets	Non-SPV Assets	ISETRM	ISERCL	ISETRM	ISERCL
	Rupees '000		Rupees '000		Rupees '000		Rupees '000	
ASSETS								
NON-CURRENT ASSETS								
Property and equipment	1,303,327		1,303,327				1,303,327	
Intangible assets	3,403		3,403				3,403	
Investment property	5,405,575		5,405,575				5,405,575	
Investment in ISERCL	10			10		(10)		
Long term investments - ISERCL	797,001			797,001				797,001
Long term investments - ISERCL						2,000,000		2,000,000
Long term advances and deposits	38,550		38,550				38,550	
Deferred taxation	9,541		9,541				9,541	
CURRENT ASSETS								
Receivables	82,387		82,387				82,387	
Advances and prepayments	16,361		16,361				16,361	
Short term investment	976,378		976,378				976,378	
Cash and bank balances	11,334		11,334				11,334	
	1,086,460		1,086,460				1,086,460	
TOTAL ASSETS	8,643,867		7,846,856	797,011		1,999,990	7,846,856	2,797,011
EQUITY AND LIABILITIES								
SHARE CAPITAL & RESERVES								
Authorized share capital								
Share capital	7,000,000		7,000,000		(1,000,000)		6,000,000	2,800,000
Surplus on revaluation of property and equipment	3,671,870		3,671,870		2,000,000		5,671,870	2,700,000
Reserves	459,584		459,584		(459,584)			
Accumulated profits	217,028		217,028		(217,028)			
	3,938,191		3,938,191		(2,120,399)		1,817,792	97,011
NON-CURRENT LIABILITIES								
Long term deposits	26,166		26,166				26,166	
Deferred liabilities	26,689		26,689				26,689	
CURRENT LIABILITIES								
Accrued and other payables	52,855		52,855				52,855	
Advances and deposits	60,096		60,096				60,096	
Tax payable to government	191,278		191,278				191,278	
Unclaimed dividend	15,404		15,404				15,404	
	37,561		37,561				37,561	
	304,339		304,339				304,339	
Inter Segment Receivables/Payables								
TOTAL EQUITY AND LIABILITIES	8,643,867		7,846,856	797,011		1,999,990	7,846,856	2,797,011



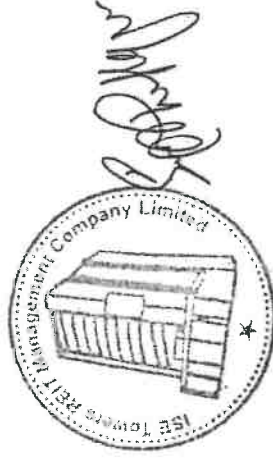
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SCHEDULE – 3 Statement of Financial Position –

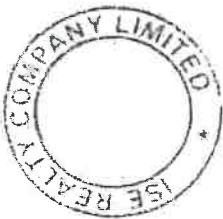
- ISE Towers REIT Management Company Limited
- ISE Realty Company Limited (Certificate of Receipt of Initial Subscription Money)

As attached



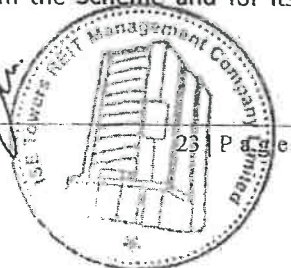
1. The respective Boards of Directors of ISETRMC, and ISERCL have approved the foregoing Scheme for the submission to the honorable Islamabad High Court (IHC), and have prayed to the Court to order the convening of the Extraordinary General Meetings (EOGMs) of their companies under the Court appointed Chairmen of the meetings for seeking the approval of the Scheme from the members of their respective companies by way of special resolution(s), before according due sanction to this Scheme in its absolute discretion. In this respect, the following specific Board resolutions have been passed by each of the companies involved in the Scheme:

- 1) “Resolved that the Draft Scheme of Arrangement for the restructuring/rearrangement/reallocation and issuance of the equity capital of the Company (ISETRMC or ISERCL) and the inter-company transfer of certain designated assets and liabilities, as per the specific Articles and Schedules detailed in the Scheme, and for the subsequent registration/launch of the REIT Scheme(s) and its future public listing, be and is hereby approved by the Board”; and
- 2) “Resolved further that the CEO of the Company (ISETRMC or ISERCL), be and is hereby nominated/designated/assigned the task of filing of the above Scheme, and is duly empowered to sign, submit or present necessary applications/petitions, supplementary applications/petitions before the Honorable Islamabad High Court (IHC), and to appear [in person or through representative(s)] before the Court, SECP, Competition Commission of Pakistan (CCP), and/or before any other authority or person in connection with the aforesaid Scheme of Arrangement, and upon the sanction thereof by the Honorable IHC, to undertake all necessary actions or take all required steps for the implementation of the Scheme, under or with the assistance of the Board appointed Financial Advisors (FA);” and
- 3) “Resolved further that the appointed FA, be and is also hereby authorized to hire the services of any other legal advisor/counsel or professional and fix the remuneration thereof, for the filing of the Scheme in the Honorable IHC, and its legal perusal with other regulatory bodies with the support and assistance from the management of ISETRMC and ISERCL;” and
- 4) “Resolved further that subject to and subsequent to the specific approval of the Scheme from the shareholders of the Company (ISETRMC or ISERCL) by way of special resolution, the Board of Directors of ISETRMC, with the assistance from the appointed FA/legal advisor, be and is hereby authorized to make any subsequent/future changes, modifications or additions or alterations to the Scheme or to any particular part of the Scheme (including any distribution ratio), which the Honorable IHC or the Commission may think fit to order, direct or impose or consider necessary for the removal of any difficulty arising from the Scheme and for its



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implementation or in any matter connected therewith without the need for any further approval from the shareholders of the companies involved in the Scheme;" and

- 5) "Resolved further that subsequent to the filing of the Scheme in the Honorable IHC, the Board of Directors of ISETRMC, be and is hereby authorized to take all future steps and undertake all necessary or required actions to ensure the expeditious approval of the Scheme from the Honorable IHC, and its subsequent implementation, for and on behalf of the Board of the Directors of ISERCL;" and
 - 6) "Resolved further that subsequent to the sanction of the Scheme by the Honorable IHC, the Board of Directors of the Company (ISETRMC or ISERCL), be and is hereby authorized to change the name of ISETRMC to ISE Towers Limited [and to change the name of ISERCL to ISE REIT Management Company Limited (ISERMC)], or any other suitable name as the Board may decide in its absolute discretion;" and
 - 7) "Resolved further that the approval of all required payments/disbursements etc., in connection with the Scheme and included in the Scheme's approved financial model, whether on account of any registration/licensing of the new companies, government challans/treasury, advertisements, fees, charges, taxes, and the costs for the convening of the meetings of the Boards and shareholders of the Company (ISETRMC or ISERCL), be and are hereby approved to be expensed as per the timelines and the milestones provided in the approved financial model of the Scheme."
2. Upon the orders of the honorable IHC for the convening of the EOGMs of ISETRMC and ISERCL, under the Court appointed Chairmen of the meetings, the shareholders shall be required to accord specific approval of the Scheme (as covered in this Schedule – 4) by way of special resolution pursuant to the provisions of Section 279 to 283 of the Companies Act, 2017, and other applicable provisions, together with the approvals for the grant of the specific authorization to their respective Boards of Directors, to the following effect:

- 1) "Resolved that the Draft Scheme of Arrangement, for the restructuring/rearrangement/reallocation and issuance of the equity capital of the Company (ISETRMC or ISERCL) and the inter-company transfer of certain designated assets and liabilities, as per the specific Articles and Schedules detailed in the Scheme, and for the subsequent registration/launch of the REIT Scheme(s) and its future public listing, be and is hereby unanimously approved by the shareholders;" and

- 2) "Further resolved unanimously that the Board of Directors of the Company (ISETRMC or ISERCL), either by themselves, or through the CEO of the Company (ISETRMC or ISERCL), be



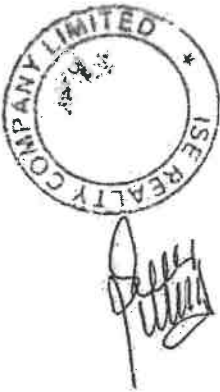
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and are hereby authorized to undertake all necessary actions or take all required steps for the implementation of the Scheme, after the sanction thereof by the Honorable IHC;”

- 3) “**Resolved further that** subsequent to the sanction of the Scheme by the Honorable IHC, the Board of Directors of the Company (**ISETRMC or ISERCL**), be and is here by authorized to change the name of **ISETRMC to ISE Towers Limited** [and to change the name of **ISERCL to ISE REIT Management Company Limited (ISERMCL)**], or any other suitable name as the Board may decide in its absolute discretion;” and
- 4) “Further resolved unanimously that the Board of Directors of the Company (**ISETRMC and ISERCL**) be and are hereby authorized to make any subsequent/future changes, modifications or additions or alterations to the Scheme or to any particular part thereof (including any distribution ratio), which the Honorable IHC or the Commission may think fit to order, direct or impose or consider necessary for the removal of any difficulty arising from the Scheme and/or for its implementation or with respect to any matter connected therewith, under the authority of these resolutions, and without any further need for any specific approval from the shareholders of the Company (**ISETRMC and ISERCL**) in this matter;” and
- 5) “Further resolved unanimously that the Board of Directors of the Company (**ISETRMC and ISERCL**) be and are hereby authorized to make the required changes in the Memorandum and Articles of the Company as proposed in the Scheme, or any other changes if so advised or directed or ordered or required by the Honorable IHC or the Commission, under the authority of these resolutions, and without any further need for any specific approval from the shareholders of the Company (**ISETRMC and ISERCL**) in this matter.”





ISE TOWERS REIT MANAGEMENT
COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2025

BDO Ebrahim & Co. Chartered Accountants

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



Tel: +92 51 260 4461-5
Fax: +92 51 260 4468
www.bdo.com.pk

3rd Floor,
Saeed Plaza,
22-East Blue Area,
Islamabad-44000,
Pakistan.

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

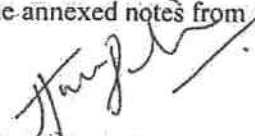
DATED: SEPTEMBER 30, 2025
UDIN: AR202510060NIDHLXvHR

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) -----
ASSETS			
NON-CURRENT ASSETS			
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>
CURRENT ASSETS			
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>
TOTAL ASSETS		<u>8,643,867</u>	<u>8,088,565</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
700,000,000 (2024: 700,000,000) ordinary shares of Rs. 10 each			
		<u>7,000,000</u>	<u>7,000,000</u>
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>
NON-CURRENT LIABILITIES			
Long term deposits	18	26,166	23,553
Deferred liabilities	19	26,689	32,509
		<u>52,855</u>	<u>56,062</u>
CURRENT LIABILITIES			
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>
TOTAL EQUITY AND LIABILITIES		<u>8,643,867</u>	<u>8,088,565</u>
CONTINGENCIES AND COMMITMENTS			
	24		

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

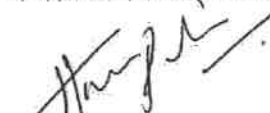

CHAIRMAN


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') -----
Income			
Operating income	25	411,271	378,164
Operating expenses:			
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

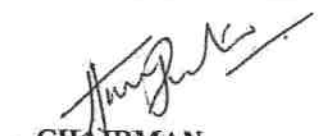


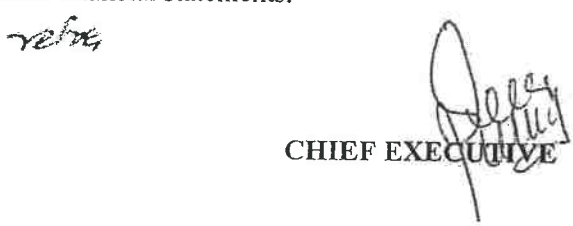

CHIEF EXECUTIVE

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

	Note	2025 ----- (Rupees in '000') -----	2024 ----- (Rupees in '000') -----
Profit for the year after taxation		733,888	645,974
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss:			
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
Total comprehensive income for the year 2024	-	-	-	-	-	645,974	645,974	645,974
Profit for the year after taxation	-	-	-	-	-	(645)	(645)	(645)
Loss on remeasurement of defined benefit liability	-	21,667	-	21,667	-	-	-	21,667
Revaluation of property and equipment during the year (net of tax)	-	-	-	-	-	8,932	8,932	-
Transfer to accumulated profit on account of incremental depreciation (net of tax)	16	(8,932)	-	(8,932)	-	(1,651)	(1,651)	(1,651)
Share of other comprehensive loss of associates	-	-	-	-	-	-	-	-
Surplus on remeasurement of equity investment - FVTOCI	8,211,882.21	-	-	-	29,106	-	29,106	29,106
Fixed assets replacement reserve	-	-	-	-	-	(55,012)	(55,012)	-
Amount collected for fixed assets replacement reserve	17.1	-	55,012	55,012	-	149,185	149,185	-
Amount utilized from fixed assets replacement reserve	17.1	-	(149,185)	(149,185)	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
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	-	-	-	-	-	(146,875)	(146,875)	(146,875)
Balance as at June 30, 2024	3,671,870	442,831	56,454	499,285	149,301	3,419,627	3,568,928	7,740,083
Total comprehensive income for the year 2025	-	-	-	-	-	733,888	733,888	733,888
Profit for the year after taxation	-	-	-	-	-	(1,856)	(1,856)	(1,856)
Loss on remeasurement of defined benefit liability	-	-	-	-	-	-	-	-
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	8,211,882.21	-	-	-	27,764	-	27,764	27,764
Fixed assets replacement reserve	-	-	-	-	-	(44,496)	(44,496)	-
Amount collected for fixed assets replacement reserve	17.1	-	44,496	44,496	-	60,987	60,987	-
Amount utilized from fixed assets replacement reserve	17.1	-	(60,987)	(60,987)	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2024 at Rs. 0.65 per share	-	-	-	-	-	(238,672)	(238,672)	(238,672)
Balance as at June 30, 2025	3,671,870	459,584	39,963	499,547	177,065	3,938,191	4,115,256	8,286,673

The annexed notes form an integral part of these financial statements.

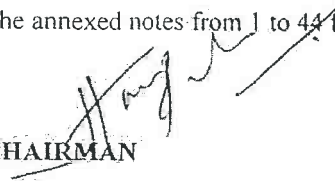
CHAIRMAN

CHIEF EXECUTIVE OFFICER

ISE TOWERS REIT MANAGEMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 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)
	407,928	382,849
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)
	2,862	(45,873)
Increase / (decrease) in current liabilities		
Accrued and other payables	(13,124)	10,768
Advances and deposits	36,053	6,263
	22,929	17,031
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	234,107	243,898
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	(71,113)	233,766
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	(231,259)	(481,063)
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 11,344	79,609

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.

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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:

refer

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.

yes

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

Equity Investments at FVOCI

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

Financial assets at FVTPL

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

Impairment

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

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

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

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

Derecognition

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

Receivables and deposits

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

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.

5 PROPERTY AND EQUIPMENT

		2025	2024
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	1,154,218	1,155,541
Capital work in progress	5.2	149,109	136,611
		<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

(Rupee in '000)

Opening net book value (NBV)	663,602	380,206	18,943	3,091	2,481	69,469	8,602	1,348	281	2,879	2,320	1,983	334	1,155,540
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	380,655	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)	(155,755)	(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	380,655	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	-	-	-	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	1,155,341

Gross carrying value basis year ended June 30, 2024

Cost / Revalued amount	663,602	376,180	88,733	158,057	8,110	130,464	24,918	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 # 3053), Jinnah Avenue, Blue area, Islamabad, Pakistan with an area of 1,659 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).

Yates

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
Less:				
Contribution from sub lessee				(38,822)
Net balance				<u>149,109</u>

6	INTANGIBLE ASSETS	Note	2025	2024
			(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
		----- (Rupees in '000) -----	
6.1	The movement in this head is as follows:		
	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		172,070	137,200
			<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
		----- (Rupees in '000) -----	
8	LONG TERM INVESTMENTS		
	Under equity method		
	Equity investments - FVTOCI	8.1 568,017	431,833
	Equity investments - FVTPL	8.2 228,984	201,220
		8.3 -	-
		<u>797,001</u>	<u>633,053</u>

8.1 Under equity method

Associated companies - unquoted

	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>

	Note	2025 ----- (Rupees in '000) -----	2024
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	8.1.4	(13,300)	-
		-	13,300

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:

National Clearing Company of Pakistan	2025	2024
	---- (Rupees in '000) ----	
Summarized Statements of Financial Position		
Non Current Assets		
Current Assets	1,907,946	890,043
Share Capital	75,281,362	26,639,232
Reserves	1,008,545	1,008,545
Non Current Liabilities	2,264,298	1,618,627
Current Liabilities	84,601	50,650
	73,831,864	24,851,453
Summarized Statements of Profit & Loss		
Revenue		
Profit for the year	3,483,408	2,207,048
Other comprehensive loss	1,271,174	645,270
Total comprehensive income	(11,804)	(14,033)
	1,259,370	631,237
Pakistan Mercantile Exchange Limited		
Summarized Statements of Financial Position		
Non Current Assets		
Current Assets	216,255	37,771
Share Capital	12,709,888	6,559,256
Reserves	893,622	313,551
Non Current Liabilities	121,882	284,204
Current Liabilities	303,455	164,087
	11,607,184	5,835,184
Summarized Statements of Profit & Loss		
Revenue		
Profit for the year	1,304,685	866,372
Total Comprehensive income	417,747	291,890
	417,747	291,890
Digital Custodian Company Limited		
Summarized Statements of Financial Position		
Non Current Assets		
Current Assets	-	527,061
Share Capital	-	36,284
Reserves	-	522,667
Non Current Liabilities	-	8,399
Current Liabilities	-	14,546
	-	17,733
Summarized Statements of Profit & Loss		
Revenue		
Profit for the year	-	119,744
Other Comprehensive Income	-	8,533
Total Comprehensive income	-	-
	-	8,533

	Note	2025 ---- (Rupees in '000) ----	2024
8.1.8	Share of other comprehensive loss of associates - net		
	Share in other comprehensive loss for the year - NCCPL	(1,388)	(1,651)
8.2	Equity investments - FVTOCI		
	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	Central Depository Company of Pakistan Limited		
	Investment - at cost	47,163	47,163
	Fair value adjustment	170,626	143,320
		217,789	190,483
8.2.1.1	Fair value adjustment		
	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	2024
	----- (Rupees in '000) -----	
Summarized Statements of Financial Position		
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
Summarized Statements of Profit & Loss		
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%

2025

8.2.2 VIS Credit Rating Company Limited

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

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	% age
VIS	100,000	5.0%	100,000	5.0%

8.2.3 Surplus on investment of equity investment - FVOCI

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

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Advances to staff		116	-
Advances to contractor	9.1	23,655	53,438
Deposits with:			
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

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

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Taxable temporary differences			
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.

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

ref

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
11 RECEIVABLES			
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.

11.4 Movement in Allowance for ECL:

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

12 ADVANCES AND PREPAYMENTS

Advances			
Prepayments	12.1	15,892	7,131
		469	186
		<u>16,361</u>	<u>7,317</u>

12.1 Advances

Unsecured - considered good

Advances to:

Staff

Contractors

	12.1.1	2,371	604
	12.1.2	13,521	6,527
		15,892	7,131
		225	225
		16,117	7,356
		<u>(225)</u>	<u>(225)</u>
		<u>15,892</u>	<u>7,131</u>

Considered doubtful based on expected credit loss (ECL)

Allowance for ECL

- 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) -----
	Investment held at amortized cost			
	Treasury bills	13.1	829,160	693,538
	Investment held at FVTPL			
	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) -----
367,186,963	367,186,963	3,671,870	3,671,870

Ordinary shares issued for consideration other than cash

- 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

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

Signature

		2025	2024
	Note	----- (Rupees in '000) -----	
17	RESERVES		
- 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) -----	
18	LONG TERM DEPOSITS		
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) -----	
19	DEFERRED LIABILITIES		
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.

7/2/25

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	20,685	25,871

19.2.2 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	19.2.4	20,685	25,871
Closing net liability		20,685	25,871

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		(12,890)	(830)
Closing net liability		20,685	25,871

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
19.2.4 Movement in present value of defined benefit obligations			
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 ----- (Rupees in '000) -----	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.

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19.2.10 Principal actuarial assumptions

Mortality table	2025	2024
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

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

19.3.1 Liability recognized in the statement of financial position

Present value of defined benefit obligation	19.3.3	6,003	6,637
---	--------	-------	-------

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		(2,055)	(157)
		<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		(2,055)	(157)
Remeasurement loss on obligation	19.3.5	430	175
Closing present value of defined benefit obligations		<u>6,003</u>	<u>6,637</u>

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

19.3.5 Remeasurement chargeable to profit or loss

Remeasurement loss on obligation	<u>430</u>	<u>175</u>
----------------------------------	------------	------------

19.3.6 Comparison of liabilities for five years

	2025	2024	2023	2022	2021
	-----	-----	-----	-----	-----
	(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) -----	-----
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.

20	ACCRUED AND OTHER PAYABLES	Note	2025	2024
			----- (Rupees in '000) -----	
	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		5,905	3,973
			<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.

			2025	2024
			----- (Rupees in '000) -----	-----
21	ADVANCES AND DEPOSITS	Note		
	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
	----- (Rupees in '000) -----	
The reconciliation of carrying amount is as follows:		
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

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

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) -----	
	Audit services		
	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	17,202	19,553
		<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

	Note	2025 ----- (Rupees in '000) -----	2024 -----
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	<u>(164,955)</u>	<u>(128,207)</u>
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	<u>(2,351)</u>	<u>5,524</u>
		<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 ----- (Rupees in '000) -----	2024 -----
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
32 EARNINGS PER SHARE		
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
Basic and diluted earnings per share (Rupee)	<u>2.00</u>	<u>1.76</u>
32.1 There is no dilutive effect on the basic earnings per share of the Company.		
32.2 Earnings per share comprises as follows:	2025	2024
	----- (Rupees) -----	
Distributable profit		
- Profit before share of associate	0.92	1.04
- Share of profit from associated companies	0.61	0.35
	<u>1.53</u>	<u>1.39</u>
Undistributable - unrealized fair value gains	0.47	0.37
	<u>2.00</u>	<u>1.76</u>

Note

32.2.1

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

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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)				

**Non-derivative financial liabilities
2025**

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>

**Non-derivative financial liabilities
2024**

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)

National Clearing Company of Pakistan Limited

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

Pakistan Mercantile Exchange Limited

	2025	2024
Utility charges	754	619
Amount received against utility charges	(693)	(607)
Closing balance against utilities	118	57
Rent received	3,095	2,702

Yeh

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

re. 2024

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:

12.624

	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.

22/04

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. 519.06 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

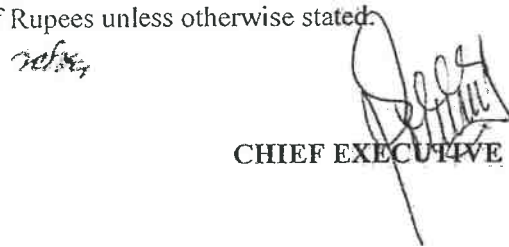
43 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 30 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

Authorization Format
(On the letterhead of the Company)

Date:

The Secretary
ISE Towers REIT Management Company Limited
Islamabad.

Sub: Authorization to Attend the Extra Ordinary General Meeting (EOGM) on Behalf of the Corporate Shareholder

Dear Sir,

Please be informed that Mr. _____ s/o _____ r/o _____ holder of CNIC No. _____ has been duly authorized by the Board of Directors of our company vide resolution dated _____ to participate, deliberate and vote on resolutions included in the agenda of the notice of the 38th EOGM of the ISE Towers REIT Management Company Limited scheduled for **December 16, 2025 at 03:30 p.m.** or at any date adjourned/rescheduled thereof. Resolution of the Board dated _____ in original duly signed and stamped is attached herewith for reference and record.

Yours truly,

Seal of the Company

Authorized Signatory

.....
SPECIMEN RESOLUTION

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

Resolved that Mr. _____ s/o _____ r/o _____ be and is hereby authorized on behalf of the company to participate and vote for resolution included in the agenda of the notice of the 38th EOGM of ISE Towers REIT Management Company Limited scheduled for **December 16, 2025 at 03:30 p.m.** or at any date adjourned/rescheduled thereof.

Certified True Copy.

Authorized Signatory

Seal of the Company

FORM OF PROXY

I/We, _____ of _____, being a member(s) of ISE Towers REIT Management Company Limited, do hereby appoint Mr./Ms. _____ s/o,d/o _____ r/o of _____ as my/our proxy in our absence to attend and vote for me/us and on my/our behalf at 38th Extra Ordinary General Meeting of the Company to be held on the **December 16, 2025 at 03:30 p.m.** or at any adjournment thereof.

Signature over
Revenue Stamp
of Rs.5/-

The Member:

Signature: _____

Name: _____

Father's name: _____

Participant ID: _____

Address: _____

Date: _____

Witness 1: _____

Signature: _____

Name: _____

CNIC No.: _____

Address: _____

The Proxy:

Signature: _____

Name: _____

Father's name: _____

Participant ID: _____

Address: _____

Date: _____

Witness 2: _____

Signature: _____

Name: _____

CNIC No.: _____

Address: _____

Important Notes:

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