

**Arif Habib Dolmen REIT  
Management Limited**

Condensed Interim Financial  
Statements for the period ended  
**March 31, 2021**

# **Arif Habib Dolmen REIT Management Limited**

## **Directors' Report**

### **For the Quarter Ended 31 March 2021**

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The Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC) are pleased to present the Condensed interim financial Information of the Company for the quarter ended on March 31, 2021.

#### **Operational and Financial Results**

Dolmen City REIT, remained the backbone of RMC's income. However the Scheme's Net Operating Income over the period declined by 16.81 % amounting to PKR 1,973.35 million as compared to PKR 2,372.23 million during the corresponding period, which is a result of rental waivers provided to tenants.

With the decrease in profitability of the Scheme, the RMC earned a management fee amounting to PKR 66.90 million (excluding advisory fee amounting to 11.37 million) as compared to PKR 80.42 million during the corresponding period. The administrative expenses of the RMC for the period were PKR 47.45 million as compared to PKR of 41.27 million during the corresponding period which resulted in gross profit for the period amounting to PKR 21.81 million. Further RMC also earned PKR 5.21 million (corresponding prior period: PKR 7.25 million) from markup on bank deposits and PKR 6.04 million (corresponding prior period: PKR 7.97 million) as dividend income from the units of the Dolmen City REIT coupled with unrealized loss of 6.58 million on re-measurement of fair value of the units. The profit after tax for the period remained at PKR 18.69 million as compared to PKR 32.37 million in the corresponding period.

#### **Taxation Reforms**

The REIT management company has been advocating multiple taxation reforms for REIT's survival in Pakistan. Exuberant dividend taxation on investing in REITs (which is 25%; compared with 15% when investing in mutual funds – under Division III of the First Schedule, Part-I of the Income Tax Ordinance 2001 'ITO'); Capital Gains taxation on non-cash gains (under section 99A of the Second Schedule of the ITO) and Advance taxation (under section 236C and section 236K of the ITO) on transfers of property to REIT schemes (whereby property transfers in the name of REIT's Trustee is an additional step which is not required in any other form of organization) have almost halted growth of REITs.

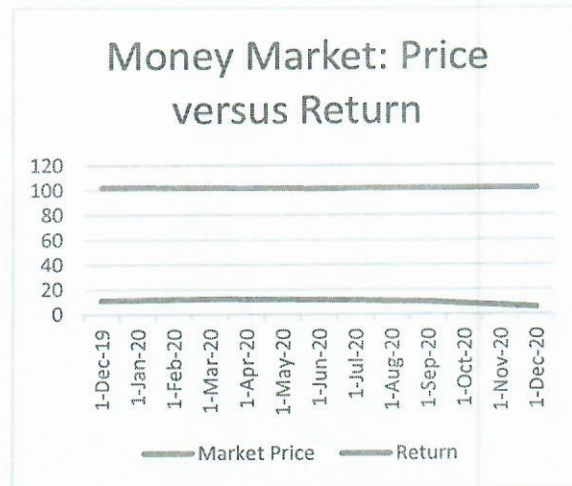
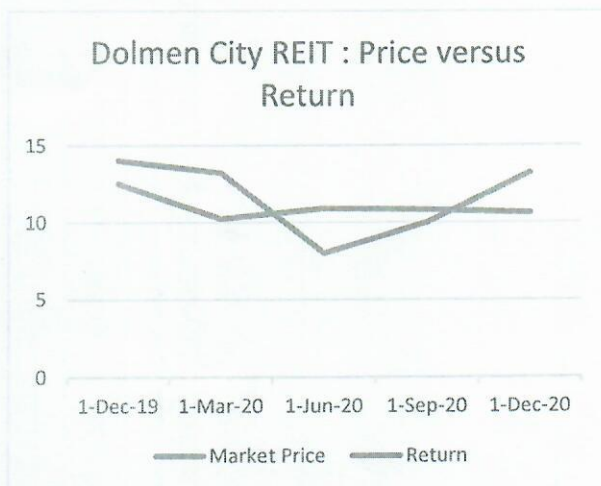
The FBR in its misconceived notion of preventing tax arbitrage, started taxing Dividends paid out by REITs at the rate of 25%, while the rate of tax is 15% on dividends paid out by all Mutual Funds, except for dividends received by corporates from Money Market Funds.

The rationale of taxing a higher rate of tax on Money Market Funds was that a corporate is taxed at 25% or higher on earnings from Treasury Bills, but it pays 15% if it invests in the same underlying asset through a Money Market Mutual Fund. Also, very importantly, a Money Market Fund does not suffer price volatility like listed equity securities, thus a corporate can even invest for a few days and exit with a gain, without worrying about losing money on exit.

Given the fact that REITs were paying out regular dividends, the FBR assumed that it was similar to a Money Market Fund. However, this notion has been proven incorrect during the economic downturn and Covid-19. Like any other investment in a business, the earnings (dividends) are subject to market/economic conditions, and resultantly, the unit price suffers price volatility.



The following dividend graphs and the unit price graphs of REIT and Money Market funds prove the point. We are hopeful that the FBR will recognize that its exuberance in taxing REITs in a manner similar to a Money Market Fund was misplaced, and it will restore the tax rate to 15%.



#### Future outlook

The real estate horizon in Pakistan is changing as increasing focus is directed to transaction transparency. Blurred sources of income often related to real estate are under pressure with limited avenues of disposal as the tax net vigilance widens. As a result, real estate is moving towards a more formal mode with developers and land bankers increasing looking for a structured financial approach.

As the market catches on to REITs as a mode of development, the government is also catching on to their importance for the documentation of real estate sector and deepening of capital markets. Favorable changes in the taxation regime and amelioration of impediments for REITs are underway bringing with them strong impetus for growth.

We have a number of REIT projects underway now and aim to remain a positive disruptor for this sector.

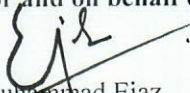
#### Related Party Transaction


In order to comply with REIT Regulations and the Code of Corporate Governance, the RMC presented all related party transactions before the Audit Committee and Board for their review and approval.

#### Acknowledgement

The Board would like to thank the Securities and Exchange Commission of Pakistan and other business partners for their continued cooperation and support. We also appreciate the effort put in by the management team.

For and on behalf of the Board

  
 Muhammad Ejaz  
 Chief Executive  
 April 15, 2021

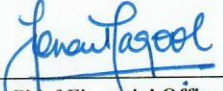
  
 Nasim Baig  
 Chairman

Arif Habib Dolmen REIT Management Limited  
Condensed Interim Statement of Financial Position  
As at 31 March 2021

As at 31 March 2021

		Unaudited 31 March 2021	Audited 30 June 2020
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	986,035	396,149
Right-of-use asset	7	4,243,279	6,061,826
Intangible asset	8	7,274	9,667
Long term deposit and receivables		3,665,000	3,328,600
Long term loans to employees		20,000	16,000
Deferred tax - net		318,703	-
		9,240,291	9,812,242
<b>Current Assets</b>			
Mark-up accrued on bank deposits		616,537	451
Service fee receivable	9	24,046,253	6,652,900
Current portion of long term loan to employees and advances	10	8,323,541	7,557,835
Prepayments and other receivables	11	7,176,344	7,524,091
Taxation		1,109,444	1,433,618
Short term investment	12	77,710,214	84,289,214
Cash and bank balances	13	128,960,856	114,601,173
		247,943,189	222,059,282
<b>Total Assets</b>		<b>257,183,480</b>	<b>231,871,524</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital (50,000,000 shares of Rs. 10 each)		500,000,000	500,000,000
Issues, subscribed and paid-up capital (20,000,000 shares of Rs. 10 each)		200,000,000	200,000,000
<b>Revenue reserve</b>			
Unappropriated profit / (loss)		37,588,504	18,899,531
		237,588,504	218,899,531
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liability - net		-	1,391,174
Lease liability		2,537,266	4,512,270
		2,537,266	5,903,444
<b>Current Liabilities</b>			
Accrued expenses and other payables	14	14,321,145	4,968,007
Current portion of lease liability		2,736,565	2,100,542
		17,057,710	7,068,549
Contingencies and commitments	15	-	-
<b>Total Equity and Liabilities</b>		<b>257,183,480</b>	<b>231,871,524</b>

The annexed notes form 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

# Arif Habib Dolmen REIT Management Limited

## Condensed Interim Profit or Loss

For the nine months period and quarter ended 31 March 2021 (unaudited)

	Note	Nine Months Ended		Quarter Ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
		----- Amount in Rupees -----			
Operating revenue - net	16	69,262,419	71,166,810	23,841,818	24,567,120
(Loss) / gain on re-measurement of short term investment		(6,579,000)	1,095,250	(4,334,400)	(17,569,800)
Administrative expenses	17	(47,450,764)	(41,273,885)	(17,063,874)	(12,746,830)
Finance cost		(671,622)	(895,068)	(202,748)	(282,303)
Other income	18	11,251,873	15,225,097	4,558,077	6,073,414
Profit before taxation		25,812,906	45,318,204	6,798,873	41,601
Taxation	19	(7,123,933)	(12,953,169)	(2,459,324)	(3,066,852)
Profit after taxation		18,688,973	32,365,035	4,339,549	(3,025,251)
Basic and diluted earning per share (Rs. Per share)		0.93	1.62	0.21	(0.15)

The annexed notes form 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer




Director



Arif Habib Dolmen REIT Management Limited  
 Condensed Interim Statement of Comprehensive Income  
 For the nine months period and quarter ended 31 March 2021 (unaudited)

	Nine Months Ended		Quarter Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	,----- Rupees -----			
Profit / (loss) for the period	18,688,973	32,365,035	4,339,549	(3,025,251)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>18,688,973</b>	<b>32,365,035</b>	<b>4,339,549</b>	<b>(3,025,251)</b>

The annexed notes form 1 to 23 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Director

Arif Habib Dolmen REIT Management Limited  
Condensed Interim Statement of Cash Flows  
For the nine months period ended 31 March 2021 (unaudited)

	31 March 2021	31 March 2020
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	25,812,906	45,318,204
Adjustment for:		
Depreciation	1,983,252	1,940,047
Amortisation	2,393	3,573
Dividend income	(6,037,200)	(7,972,200)
(Gain)/Loss on remeasurement of investments	6,579,000	(1,095,250)
Loss on disposal of property and equipment	13,496	-
Mark-up on bank deposit	(5,214,673)	(7,252,897)
	(2,673,732)	(14,376,727)
<b>Cash generated from operating activities before working capital changes</b>	<b>23,139,174</b>	<b>30,941,477</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Service fee receivable	(17,393,353)	(2,287,707)
Current portion of long term loans to employees and advances	(765,706)	2,207,253
Prepayments and other receivables	347,747	(59,210)
	(17,811,312)	(139,664)
<b>Decrease in current liabilities</b>		
Accrued expenses and other payables	9,353,138	(18,975,830)
<b>Cash used in operations</b>	<b>14,681,000</b>	<b>11,825,983</b>
Long term loan to employees	(4,000)	(9,000)
Long term deposits and receivables	(336,400)	(695,800)
Taxes paid	(8,509,636)	(11,643,783)
<b>Net cash used in operating activities</b>	<b>5,830,964</b>	<b>(522,600)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(768,087)	(97,146)
Formation cost received from scheme	-	50,339,537
Investment in units of Dolmen City REIT	-	(59,294,750)
Dividend received	6,037,200	7,972,200
Markup received	4,598,587	8,415,001
<b>Net cash generated from investing activities</b>	<b>9,867,700</b>	<b>7,334,842</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of lease liabilities against right-of-use asset	(1,338,981)	(1,463,864)
<b>Net cash used in financing activities</b>	<b>(1,338,981)</b>	<b>(1,463,864)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>14,359,683</b>	<b>5,348,378</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>114,601,173</b>	<b>103,862,596</b>
<b>Cash and cash equivalents at end of the period</b>	<b>128,960,856</b>	<b>109,210,974</b>

The annexed notes form 1 to 23 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

Arif Habib Dolmen REIT Management Limited  
Condensed Interim Statement of Changes in Equity  
For the nine months period ended 31 March 2021 (unaudited)

	Share Capital	Reserves		Sub Total	Shareholder's Equity
		Capital	Revenue		
		Fair Value Reserves	Accumulated Profit / (Loss)		
Amount in Rupees					
Balance as at 30 June 2019	200,000,000	-	(5,609,571)	(5,609,571)	194,390,429
Total comprehensive income for the nine months period ended 31 March 2020					
Profit after taxation			32,365,035	32,365,035	32,365,035
Other comprehensive income		-	-	-	-
	-	-	32,365,035	32,365,035	32,365,035
Balance as at 31 March 2020	200,000,000	-	26,755,464	26,755,464	226,755,464
Balance as at 30 June 2020	200,000,000	-	18,899,531	18,899,531	218,899,531
Total comprehensive income for the nine months period ended 31 March 2021					
Profit after taxation	-	-	18,688,973	18,688,973	18,688,973
Other comprehensive income	-	-	-	-	-
	-	-	18,688,973	18,688,973	18,688,973
Balance as at 31 March 2021	200,000,000	-	37,588,504	37,588,504	237,588,504

The annexed notes form 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# Arif Habib Dolmen REIT Management Limited

## Notes to the Condensed Interim Financial Statements

*For the nine months period ended 31 March 2021 (unaudited)*

### 1 STATUS AND NATURE OF BUSINESS

Arif Habib Dolmen REIT Management Limited (the Company) was incorporated in Pakistan as a public limited company (un-quoted) on April 08, 2009 under the repealed Companies Ordinance, 1984 (now Companies Act 2017). The Company is a REIT Management Company, registered under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, with the Securities and Exchange Commission of Pakistan (SECP). The Certificate for commencement of business was obtained from SECP on September 07, 2009. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan.

The principal business of the Company is to launch Real Estate Investment Trust (REIT) Schemes and provide REIT management services in accordance with the Real Estate Investment Trust Regulations, 2015. The Company is rated AM2+ (RMC) by VIS Credit Rating Company Limited.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the provisions of and directives issued under the Companies Act, 2017, Part VIII A of repealed Companies Ordinance 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, (the NBFC Rules 2003), the Real Estate Investment Regulations 2015 and the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board as notified under the Companies Act, 2017, Part VIII A of repealed Companies Ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017, Part VIII A of repealed Companies Ordinance 1984, the NBFC Rules 2003, the REIT Regulations 2015 have been followed.

These condensed interim financial statements do not include all the information and disclosures as require in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.

The comparatives in the condensed interim statement of financial position as at 31 March 2021 have been extracted from the audited financial statements of the Company for the year ended 30 June 2020, whereas, the comparatives in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements of the Company for the nine months period ended 31 March 2020.

These condensed interim financial statements are unaudited and being submitted to the members of the Company as required under section 237 of the Companies Act, 2017.

#### 2.2 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except as otherwise disclosed in these notes.

#### 2.3 Functional and presentation currency

Items included in this condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency, unless otherwise stated.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 30 June

2020 except for certain accounting and reporting standards which became effective for annual period beginning on or after 01 July 2020. In addition to this certain amendments to existing accounting and reporting standards and interpretations also became effective for the period beginning on or after 01 July 2020 however the new accounting and reporting standards or amendments to existing accounting and reporting standards or interpretations are either not relevant or not having significant impact on this condensed interim financial statements.

#### 4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by management in the preparation of these condensed interim financial statements are same as those that were applied to the audited annual financial statements of the Company as at and for the year ended June 30, 2020.

#### 5 RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020. There have been no changes in any risk management policies since the year end.

#### 6 PROPERTY AND EQUIPMENT

Note

Unaudited  
31 March  
2021

Audited  
30 June  
2020

— Amount in Rupees —

Opening net book value

Additions during the period / year

Disposals

Less: Depreciation for the period / year

Closing net book value

396,149	461,001
768,087	97,147
(13,496)	-
1,150,740	558,148
(164,705)	(161,999)
986,035	396,149

#### 7 RIGHT-OF-USE ASSET

Opening balance

Less: Depreciation charged during the period / year

Closing net book value

6,061,826	8,486,557
(1,818,547)	(2,424,731)
4,243,279	6,061,826

#### 8 INTANGIBLE ASSETS

Balance as at 1 July

Less: Amortization during the period / year

Written down value as at

Amortization rate

9,667	14,431
(2,393)	(4,764)
7,274	9,667
33%	33%



9	SERVICE FEE RECEIVABLE	Note	Unaudited 31 March 2021	Audited 30 June 2020
			----- Amount in Rupees -----	
	Service fee receivable	9.1	24,046,253	6,652,900
9.1	This represents management fee receivable from the Scheme in respect of fee. Under the provisions of REIT Regulations 2015, RMC is entitled to an annual management fee not exceeding three percent of Net Operating Income (NOI) of scheme. Management fee becomes receivable on quarterly basis.			
10	CURRENT PORTION OF LONG TERM LOANS TO EMPLOYEES AND ADVANCES	Note	Unaudited 31 March 2021	Audited 30 June 2020
			----- Amount in Rupees -----	
	Unsecured, considered good			
	Current portion of loans to employees		688,000	225,500
	Advances to:			
	Employees	10.1	7,635,541	7,332,335
			8,323,541	7,557,835
10.1	This includes advance to chief executive officer of the Company amounting to Rs.7.15 million (June 30, 2020: Rs.6.84 million).			
11	PREPAYMENTS AND OTHER RECEIVABLES		Unaudited 31 March 2021	Audited 30 June 2020
			----- Amount in Rupees -----	
	Prepayments		1,311,857	898,285
	Other receivable			
	Unsecured - Considered good			
	- Javedan Corporation Limited - a related party		3,325,917	3,125,917
	- Dolmen City REIT scheme - a related party		-	1,333,333
	- Vision View (Private) Limited		1,852,020	1,835,000
	- Arif Habib Consultancy (Private) Limited - a related party		227,222	227,222
	- Arif Habib Real Estate Services (Private) Limited - a related party		250,445	31,725
	- Rotocast Engineering (Private) Limited- a related party		153,000	-
	- Others		55,883	72,609
			5,864,487	6,625,806
			7,176,344	7,524,091
12	SHORT TERM INVESTMENT			
	Investments in Dolmen City REIT Scheme			
	- measured at fair value through Profit or loss	12.1	77,709,600	84,288,600
	Investment in Marginal Trading System	12.2	614	614
			77,710,214	84,289,214
12.1	Investment at fair value through profit or loss			
	31 March	30 June		
	2020	2020		
	-----Number of units-----			
	7,740,000	7,740,000	Dolmen City REIT (a related party)	77,709,600
				84,288,600



**12.1.1 Unrealized loss on remeasurement of short term investments as of the reporting date**

Market value of the investments	77,709,600	84,288,600
Cost of the investments	78,061,550	78,061,550
	<u>(351,950)</u>	<u>6,227,050</u>

**12.2 Arif Habib Limited - an associated company**  
Marginal Trading System (MTS)

<u>614</u>	<u>614</u>
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**13 CASH AND BANK BALANCES**

Cash in hand		30,000	12,060
Cash at bank			
- in saving account	13.1	128,930,728	114,588,985
- in current account		128	128
		128,930,856	114,589,113
		128,960,856	114,601,173

13.1 These carries markup at the rates ranging from 2.79% to 6.8% (30 June 2020 : 3.0% to 6.5%) per annum.

**14 ACCRUED EXPENSES AND OTHER PAYABLES**

Note

Unaudited  
31 March  
2021

Audited  
30 June  
2020

----- Amount in Rupees -----

Preliminary expenses payable		522,410	522,410
Withholding taxes payable		58,473	153,758
Accrued expenses	14.1	3,348,436	3,290,552
Advance for expenses		7,596,480	-
Sales tax payable		2,592,598	736,775
Finance cost payable on lease liability		202,748	264,512
		<u>14,321,145</u>	<u>4,968,007</u>

14.1 It includes Rs.0.292 million (June 30, 2020 : Rs. 0.255 million) payable to Rotocast Engineering, a related party of the Company.

**15 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at 31 March 2021.

**16 OPERATING REVENUE - NET**

	Nine Months Ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	----- Rupees -----			
REIT management fee	66,896,531	80,418,495	24,046,253	27,760,845
REIT advisory fee	11,370,000	-	2,895,000	-
	<u>78,266,531</u>	<u>80,418,495</u>	<u>26,941,253</u>	<u>27,760,845</u>
Less sales tax	<u>(9,004,112)</u>	<u>(9,251,685)</u>	<u>(3,099,435)</u>	<u>(3,193,725)</u>
	<u>69,262,419</u>	<u>71,166,810</u>	<u>23,841,818</u>	<u>24,567,120</u>

17 ADMINISTRATIVE EXPENSES

	Nine Months Ended		Quarter Ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	----- Amount in Rupees -----			
Salaries, allowances and benefits	34,396,681	28,639,906	13,039,371	9,390,561
Legal and professional	2,208,147	1,448,252	1,047,813	378,439
Communication	433,530	362,350	168,031	127,723
Traveling expense	1,593,648	2,197,993	175,591	500,628
Office maintenance expense	1,437,490	1,567,429	530,095	443,278
Printing and stationery	263,810	186,962	47,420	3,652
Insurance	1,801,403	687,941	541,296	228,538
Depreciation	1,983,252	1,940,047	683,919	646,683
Amortisation	2,393	3,573	798	1,191
Auditor's remuneration	484,810	293,250	154,310	60,750
Others	1,480,076	2,070,310	405,350	738,659
Directors' meeting fee	900,000	1,150,000	250,000	200,000
Training and membership expenses	155,000	305,100	-	-
Professional tax	60,524	80,772	19,880	26,728
Donation	250,000	340,000	-	-
	<u>47,450,764</u>	<u>41,273,885</u>	<u>17,063,874</u>	<u>12,746,830</u>

18 OTHER INCOME

Mark-up on bank deposit	5,214,673	7,252,897	2,003,877	3,364,414
Dividend income	6,037,200	7,972,200	2,554,200	2,709,000
	<u>11,251,873</u>	<u>15,225,097</u>	<u>4,558,077</u>	<u>6,073,414</u>

19 TAXATION

Current tax	9,251,743	12,900,869	3,171,996	5,881,158
Prior	(417,933)	-	-	-
	<u>8,833,810</u>	<u>12,900,869</u>	<u>3,171,996</u>	<u>5,881,158</u>
	-	-	-	-
Deferred	(1,709,877)	52,300	(712,672)	(2,814,306)
	<u>7,123,933</u>	<u>12,953,169</u>	<u>2,459,324</u>	<u>3,066,852</u>

## 20 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, sponsors, directors and key management personnel. Transaction with related parties are carried out by the company at agreed terms with related parties. Details of transaction carried out with related parties if not disclosed elsewhere in these financial statements are as follows:

	Unaudited 31 March 2021	Unaudited 31 March 2020
	----- Rupees -----	
<b>Transaction during the period:</b>		
<b>Rotocast Engineering Company (Private) Limited - (Associate company due to common directorship)</b>		
Rent expense / payment	2,072,367	2,072,367
Payment of common shared expenses	1,255,821	1,435,735
Common shared expenses	1,313,035	1,434,209
Administration charges	124,455	133,220
Payment of administration charges	144,615	133,372
Expenses paid	153,000	-
Office Insurance	78,576	61,128
<b>Dolmen City REIT - ( A scheme managed by Arif Habib Dolmen REIT Management Limited)</b>		
Receipt of dividend	6,037,200	7,972,200
Receipt of expenses	1,333,333	1,200,000
Purchase of units	-	59,294,750
<b>Arif Habib Real Estate Services (Private) Limited - (Associate company due to common directorship)</b>		
Expenses paid	218,720	30,325
<b>Arif Habib Limited - (Associate company due to common directorship)</b>		
Brokerage commission paid	-	250,600
<b>Arif Habib Consultancy (Private) Limited - (Associate company due to common directorship)</b>		
Expenses paid	-	1,098,891
<b>Javedan Corporation Limited - (Associate company due to common directorship)</b>		
Expenses paid	200,000	15,928
<b>MCB Arif Habib Savings &amp; Investment Limited - (Associate company due to common directorship)</b>		
Employer's VPS contribution paid	2,028,503	1,864,750
Advisory fee	-	106,809



## 21 IMPACT OF COVID-19

The Management fee of the REIT Management Company is dependent on Net Operating Income of the Dolmen City REIT scheme. Since the Net Operating Income of the Scheme has decreased due to rental waivers as explained below, the management fee has also declined.

In Pakistan, the businesses in general and retail sector in particular is facing an unprecedented challenge arising out of situation due to COVID-19. Initially, it was expected to be a short term aberration. However, the situation has not only persisted for far longer than anticipated but also the associated uncertainties continue unabated. The Government's decision to shut down shopping malls from March 18, 2020 till May 19, 2020, has aggravated the difficulties faced by Mall tenants. These businesses, while complying with the Government's directives have lost their entire revenue stream from these retail outlets. Similarly, amidst this pandemic, a number of office-building tenants are promoting the culture of work-from-home and considering it unsafe to return to office premises as per their health and safety standards. Even when the Malls were allowed to reopen, tenants were not able to restore their businesses fully and their sales were significantly impacted due to curbs and SOP's placed by the provincial government.


Tenants at both the Dolmen City Mall and the Harbour Front office buildings were provided with rental waivers from month to month after carefully assessing the overall situation. Consequently, the Scheme has continued to provide waivers to its tenants which resulted in decrease of rental income approximately by Rs. 346 million during the nine months period ended March 31, 2021, Consequently the corresponding decline in management fee of REIT Management Company is Rs. 10.38 million.

## 22 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 15<sup>th</sup> April 2021 by the Board of Directors of the Company.

## 23 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Director