

**Arif Habib Dolmen REIT  
Management Limited**

Condensed Interim Financial  
Statements for the period ended  
**December 31, 2022**

**Arif Habib Dolmen REIT Management Limited**  
**Directors' Report**  
**For the Half Year Ended 31<sup>st</sup> December 2022**

---

The Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC) are pleased to present the condensed interim financial statements of the Company for the half year ended on 31<sup>st</sup> December 2022.

**Operational and Financial Results**

After a successful FY22 in which company was able to register five new REITs, FY23 also started in a promising way where three new REITs were registered during the half year,

REIT Schemes that were registered with the SECP, during the period by the Company include:

#	Name of the REIT Scheme	REIT Category	SECP Registration Date	Indicative Fund Size (PKR Billion)	Location
1	Rahat Residency REIT 'RRR'	Developmental	Aug 03, 2022	1.000	Naya Nazimabad, Karachi
2	Naya Nazimabad Apartment REIT 'NNAR'	Developmental	Aug 03, 2022	5.875	Naya Nazimabad, Karachi
3	DHA Dolmen Lahore REIT 'DDLRL'	Rental	Aug 03, 2022	35.502	DHA Lahore

Company is under mandate for three more REITs with different sponsors, these REITs will be in Lahore and Karachi. Management is confident that deals will be closed during the financial year 2023..

This proliferation in portfolio of the Company necessitated equipping the organization with tools and human resources to optimally and diligently maintain performance standards that the industry associates the Company with.

The Real Estate of RRR, NNAR and DDLR have been transferred in the name of REITs' Trustee. DDLR is under construction phase which will last for 12 months and after completion it will commence its operations, the Management is confident that all remaining registered REITs will commence their operations during the fiscal year 2023.

Construction work for Globe Residency REIT is in full swing under supervision of Development Advisor and Project Manager. As at period end, 56.4% inventory is already sold and proceeds are utilized for construction work. Scheme entered into Musharaka agreement with Meezan Bank Limited ("MEBL") for 3 out of 9 towers of the project. During the period, two installments for contribution was disbursed by MEBL.

The Company commenced vicinity development work planned for SIDR in last year for which consultants were hired and are working under supervision by a team of engineers of project manager. Concept design is being finalized with development advisor and operations are expected to commence in February 2022.

Although new REIT Schemes cumulatively had a positive impact on company's revenue contributing PKR 141.556 million out of PKR 143.556 million, constituting 98.6% of total revenue, Dolmen City REIT 'DCR' still remained the backbone of RMC's income contributing PKR 56.223 million which account for 39.2% of total revenue. The Company also earned income from advisory services during the current period. Other contributors other than DCR were Silk World Islamic REIT amounting to Rs. 31.053 million and DHA Dolmen Lahore REIT amounting to Rs. 20 million. Remaining income pertains to Silk Islamic Development REIT, Globe Residency REIT and Rahat Residency REIT. During the period, company also earned Rs 2 million through advisory services.

A summary of financial results is tabulated below:

Line Items	December 2022 (in Rs millions)	December 2021 (in Rs millions)
Operating Revenue – net	143.556	76.178
Administration Expenses	(55.297)	(37.321)
Other Income	8.675	7.324
Finance Cost	(32.875)	(20.05)
Profit Before Tax	60.667	24.995
Profit After Tax	43.081	(15.766)
EPS – in rupees	2.15	0.79

### Business outlook

As the business environment, supported by prudent government policies and regulations, has turned positive in the outgoing year; we have witnessed growing interest from the market in considering REIT modality for their construction, development and other real estate businesses. Currently there is a healthy pipeline of business and during the outgoing year, the Company successfully registered five Developmental REIT Schemes with SECP and after year end two Development and one Rental REIT is also registered.

### 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 Officer



**Arif Habib**  
Chairman

Karachi  
February 27, 2023



## INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of M/s. Arif Habib Dolmen REIT Management Limited

Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Arif Habib Dolmen REIT Management Limited** ("the Company") as at **December 31, 2022** and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended September 30, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2022.


### Scope of review

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

### Conclusion

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

The engagement partner on the review resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.

  
**Rahman Sarfaraz Rahim Iqbal Rafiq**  
Chartered Accountants

Karachi

Date: **27 FEB 2023**

UDIN: RR202210210MPrqZSV5X



# Arif Habib Dolmen REIT Management Limited

## Condensed Interim Statement of Financial Position

As at December 31, 2022

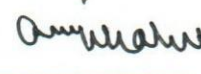
		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	5,093,311	5,469,546
Right-of-use asset		-	1,212,364
Intangible asset		445,156	533,116
Long term investment	4	600,000,000	600,000,000
Long term advances and deposits		7,966,294	4,486,017
		<u>613,504,761</u>	<u>611,701,043</u>
<b>Current assets</b>			
Mark-up accrued on bank deposits		114,889	2,243,726
Receivable from schemes	5	427,389,600	216,212,083
Loans and advances		6,891,963	6,853,397
Prepayments and other receivables	6	8,031,490	5,995,756
Cash and bank balances	7	4,693,424	184,175,378
		<u>447,121,366</u>	<u>415,480,340</u>
<b>Total assets</b>		<u><u>1,060,626,127</u></u>	<u><u>1,027,181,383</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital		<u>200,000,000</u>	<u>200,000,000</u>
<i>Revenue reserves</i>			
Unappropriated profits		<u>88,579,638</u>	<u>65,747,480</u>
		<u>288,579,638</u>	<u>265,747,480</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation - net		200,671	451,851
Long term financing	8	400,000,000	400,000,000
		<u>400,200,671</u>	<u>400,451,851</u>
<b>Current liabilities</b>			
Advance from a banking company	9	305,876,802	305,876,802
Accrued expenses and other payables	10	44,433,929	19,224,708
Current maturity of lease liability		-	803,706
Accrued mark up on long term financing		12,731,836	33,647,338
Taxation - net		8,803,251	1,429,498
		<u>371,845,818</u>	<u>360,982,052</u>
<b>Contingencies and commitments</b>	11		
<b>Total equity and liabilities</b>		<u><u>1,060,626,127</u></u>	<u><u>1,027,181,383</u></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

u

  
Chief Executive

  
Chief Financial Officer

  
Director

# Arif Habib Dolmen REIT Management Limited

## Condensed Interim Statement of Profit or Loss

For the half year and quarter ended December 31, 2022 (unaudited)

		Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Note	----- Rupees -----			
Operating revenue - net	12	143,556,280	76,178,085	83,482,725	47,834,903
Administrative expenses	13	(55,297,187)	(37,321,499)	(29,703,770)	(20,167,402)
		88,259,093	38,856,586	53,778,955	27,667,501
Other expenses	14	(3,390,986)	(1,219,976)	(2,804,500)	(684,000)
Other income	15	8,675,816	7,324,208	2,245,180	5,825,728
		93,543,923	44,960,818	53,219,635	32,809,229
Finance costs	16	(32,875,990)	(20,005,791)	(17,027,004)	(10,309,426)
Profit before taxation		60,667,933	24,955,027	36,192,631	22,499,803
Taxation	17	(17,835,775)	(9,188,619)	(6,447,222)	(6,154,713)
Profit after taxation		42,832,158	15,766,408	29,745,409	16,345,090
Earnings per share - basic and diluted		2.14	0.79	1.49	0.82

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

h

  
Chief Executive

  
Chief Financial Officer

  
Director



## Arif Habib Dolmen REIT Management Limited

### Condensed Interim Statement of Comprehensive Income

For the half year and quarter ended December 31, 2022 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Profit after taxation	42,832,158	15,766,408	29,745,409	16,345,090
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>42,832,158</b>	<b>15,766,408</b>	<b>29,745,409</b>	<b>16,345,090</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


*de*



Chief Executive



Chief Financial Officer



Director

# Arif Habib Dolmen REIT Management Limited

## Statement of Changes in Equity

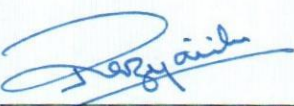
For the half year ended December 31, 2022 (unaudited)

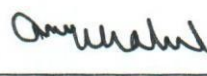
	Issued, subscribed and paid-up capital	Revenue reserve Unappropriated profits	Total
	----- Rupees -----		
<b>Balance as at June 30, 2021</b>	200,000,000	24,430,432	224,430,432
<i>Total comprehensive income for the half year ended December 31, 2021</i>			
- Profit after taxation	-	15,766,408	15,766,408
- Other comprehensive income	-	-	-
	-	15,766,408	15,766,408
<b>Balance as at December 31, 2021</b>	<u>200,000,000</u>	<u>40,196,840</u>	<u>240,196,840</u>
<b>Balance as at June 30, 2022</b>	200,000,000	65,747,480	265,747,480
<i>Total comprehensive income for the half year ended December 31, 2022</i>			
- Profit after taxation	-	42,832,158	42,832,158
- Other comprehensive income	-	-	-
	-	42,832,158	42,832,158
<i>Transactions with owners</i>			
- Dividend paid	-	(20,000,000)	(20,000,000)
<b>Balance as at December 31, 2022</b>	<u>200,000,000</u>	<u>88,579,638</u>	<u>288,579,638</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

*de*

  
Chief Executive

  
Chief Financial Officer

  
Director



# Arif Habib Dolmen REIT Management Limited

## Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2022 (unaudited)

### CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustment for non - cash and other items

- Depreciation on property and equipment
- Depreciation on right-of-use assets
- Amortisation of intangible assets
- Finance costs
- Dividend income
- Markup accrued on bank deposits
- (Gain) / loss on short term investments

Cash generated from operating activities  
before working capital changes

### Working capital changes

(Increase) / decrease in current assets

- Receivable from schemes
- Loans and advances
- Prepayments and other receivables

Increase / (decrease) in current liabilities

- Accrued expenses and other payables

### Cash used in operations

- Long term advances and deposits
- Finance cost paid
- Taxes paid

Net cash used in operating activities

### CASH FLOWS FROM INVESTING ACTIVITIES

- Acquisition of property and equipment
- Proceeds from disposal of property and equipment
- Long term advances made
- Long term loan to employees recovered
- Dividend received
- Proceeds from disposal of investment
- Short term investment made
- Markup received
- Net cash generated from / (used in) investing activities

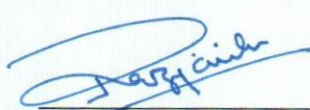
### CASH FLOWS FROM FINANCING ACTIVITIES

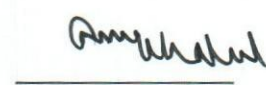
- Advance from a banking company - net
- Repayment of lease liability
- Dividend Paid
- Net cash (used in) / generated from financing activities
- Net decrease in cash and cash equivalents
- Cash and cash equivalents at the beginning of the year
- Cash and cash equivalents at the end of the year

December 31, 2022	December 31, 2021
----- Rupees -----	
60,667,933	24,955,027
728,931	342,461
1,212,364	1,212,365
87,960	1,068
32,875,990	20,005,791
-	(168,872)
(8,149,815)	(6,553,336)
-	(602,000)
26,755,430	14,237,477
87,423,363	39,192,504
(211,177,517)	(108,976,103)
(38,566)	-
(2,035,734)	(604,058)
25,209,221	6,345,084
(188,042,596)	(103,235,077)
(100,619,233)	(64,042,573)
(3,480,277)	(303,800)
(53,791,492)	(12,708,679)
(10,713,202)	(5,627,757)
(168,604,204)	(82,682,809)
(493,197)	(4,115,699)
140,501	32,769
-	(3,996,094)
-	1,727,926
-	168,872
-	250,002,000
-	(524,542,927)
10,278,652	5,378,884
9,925,956	(275,344,269)
-	356,336,076
(803,706)	(1,774,432)
(20,000,000)	-
(20,803,706)	354,561,644
(179,481,954)	(3,465,434)
184,175,378	30,493,213
4,693,424	27,027,779

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director



# Arif Habib Dolmen REIT Management Limited

## Notes to the Condensed Interim Financial Statements

For the half year ended December 31, 2022 (unaudited)

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 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 Companies Ordinance, 1984 (which was subsequently repealed by the 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). It obtained its certificate for commencement of business from the 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 (now repealed with enactment of Real Estate Investment Trust Regulations, 2022 on November 28, 2022). As on December 31, 2022 the Company has been rated AM2+ (RMC) by VIS Credit Rating Company Limited.

- 1.2 The REIT schemes currently under the management of the Company are as follows:

S. No.	REIT Scheme	REIT Type	Location of the Real Estate Project	Life of the REIT Scheme	Fund Size (Rs. in million)	Date of registration by the SECP	Date of registration under the Sindh Trusts Act, 2021	Listing Date
1)	Dolmen City REIT	Rental REIT	Dolmen Mall Clifton and The Harbor Front, Karachi	Perpetual	22,237	29-May-15	20-Jan-15	26-Jun-15
2)	Silk Islamic Development REIT	Development REIT	Surjwani Town, Karachi	8 Years	3,000	30-Jun-21	8-Jul-21	Not listed
3)	Silk World Islamic REIT	Development REIT	Surjwani Town, Karachi	4 Years	6,160	27-Sep-21	26-Aug-21	Not listed
4)	Pakistan Corporate CBD REIT	Development REIT	Old Walton Airport, Lahore	4-5 Years	15,016	22-Dec-21	29-Oct-21	Not listed
5)	Sapphire Bay Islamic Development REIT	Development REIT	Ravi Riverfront City, Punjab	8-10 years	25,000	12-Jan-22	24-Dec-21	Not listed
6)	Globe Residency REIT	Development REIT	Naya Nazimabad, Karachi	5 Years	2,800	13-Jan-22	24-Dec-21	28-Dec-22
7)	Rahat Residency REIT	Development REIT	Naya Nazimabad, Karachi	5 Years	1,000	3-Aug-22	24-Jun-22	Not listed
8)	Naya Nazimabad Apartments REIT	Development REIT	Naya Nazimabad, Karachi	7 Years	5,875	3-Aug-22	24-Jun-22	Not listed
9)	DHA Dolmen Lahore REIT	Rental REIT	Dolmen Mall, Lahore	Perpetual	15,528	3-Aug-22	27-Jun-22	Not listed

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed Interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, and directives issued under, the Companies Act, 2017;
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules, 2003); and
- The Real Estate Investment Trust Regulations, 2015 (REIT Regulations 2015).

Where the provisions of, and directives issued under, the Companies Act, 2017, the NBFC Rules, 2003 and the REIT Regulations, 2015 differ with the requirements of IAS 34, the former 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, 2022.

## 2.2 Basis of measurement of items

In these condensed interim financial statements, all the items have been measured at their historical cost except for the long-term investment in the units of Silk Islamic Development REIT which is carried at fair value.

## 2.3 Functional and presentation currency

Items included in these 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 Pak Rupees which is the Company's functional and presentation currency.

## 2.4 Judgments and sources of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2022.

## 2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

## 2.6 Seasonality or cyclicity of interim operations

The interim operations of the Company are not affected by any seasonality or cyclicity as the Company earns and receives management fee on quarterly basis.

## 3. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer and allied equipment	Telecommunication equipment	Vehicles	Total
	Rupees					
<b>As at June 30, 2021</b>						
Cost	58,510	130,500	1,751,540	711,608	453,000	3,105,158
Accumulated depreciation	(24,802)	(47,426)	(1,117,558)	(350,581)	(161,790)	(1,702,157)
<b>Net book value</b>	<b>33,708</b>	<b>83,074</b>	<b>633,982</b>	<b>361,027</b>	<b>291,210</b>	<b>1,403,001</b>
<b>Movement during the year ended June 30, 2022</b>						
Opening net book value	33,708	83,074	633,982	361,027	291,210	1,403,001
Additions during the year	1,805,144	-	3,329,512	217,500	-	5,352,156
Disposals during the year:						
- Cost	-	-	(262,074)	(53,400)	-	(315,474)
- Accumulated depreciation	-	-	126,823	20,631	-	147,454
	-	-	(135,251)	(32,769)	-	(168,020)
Depreciation for the year	(95,537)	(12,456)	(802,906)	(148,480)	(58,212)	(1,117,591)
<b>Closing net book value</b>	<b>1,743,315</b>	<b>70,618</b>	<b>3,025,337</b>	<b>397,278</b>	<b>232,998</b>	<b>5,469,546</b>
<b>As at June 30, 2022</b>						
Cost	1,863,654	130,500	4,818,978	875,708	453,000	8,141,840
Accumulated depreciation	(120,339)	(59,882)	(1,793,641)	(478,430)	(220,002)	(2,672,294)
<b>Net book value</b>	<b>1,743,315</b>	<b>70,618</b>	<b>3,025,337</b>	<b>397,278</b>	<b>232,998</b>	<b>5,469,546</b>
<b>Movement during the half year ended December 31, 2022</b>						
Opening net book value	1,743,315	70,618	3,025,337	397,278	232,998	5,469,546
Additions during the period	-	383,713	69,484	40,000	-	493,197
Disposals during the period:						
- Cost	-	-	-	(130,850)	(202,500)	(333,350)
- Accumulated depreciation	-	-	-	47,874	144,975	192,849
	-	-	-	(82,976)	(57,525)	(140,501)
Depreciation for the period	(130,740)	(16,152)	(507,500)	(56,989)	(17,550)	(728,931)
<b>Closing net book value</b>	<b>1,612,575</b>	<b>438,179</b>	<b>2,587,321</b>	<b>297,313</b>	<b>157,923</b>	<b>5,093,311</b>
<b>As at December 31, 2022</b>						
Cost	1,863,654	514,213	4,888,462	784,858	250,500	8,301,687
Accumulated depreciation	(251,079)	(76,034)	(2,301,141)	(487,545)	(92,577)	(3,208,376)
<b>Net book value</b>	<b>1,612,575</b>	<b>438,179</b>	<b>2,587,321</b>	<b>297,313</b>	<b>157,923</b>	<b>5,093,311</b>
<b>Annual rate of depreciation</b>	<b>15%</b>	<b>15%</b>	<b>33%</b>	<b>33%</b>	<b>20%</b>	



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>4. LONG TERM INVESTMENT - at fair value through other comprehensive income</b>	<i>Note</i>	----- Rupees -----	
Investments in Silk Islamic Development REIT		<u>600,000,000</u>	<u>600,000,000</u>

**4.1** This represents the Company's investment in 60 million units (June 2022: 60 million units) of Silk Islamic Development REIT, a real-estate investment scheme being managed by the Company ('the Scheme'). The investment was made in June 2021 at a cost of Rs. 600 million.

**4.2** The Scheme has not yet commenced its commercial activities since the necessary regulatory approval in this regard is yet to be granted by the Sindh Building Control Authority (SBCA). In view of this fact, presently, the fair value of the investment has been determined based on the Company's proportionate share in the net assets of the Scheme which, approximately, is equal to the cost of the investment. The said net assets of the Scheme mainly comprise of commercial plots of land (situated at Deh Jam Chakro, Tappo Mangopir, District Karachi West, Karachi) which were acquired by the Scheme in June 2021. As per the recent valuation of the land conducted by M/s. Tristar International Consultant (Private) Limited in February 2023, the fair value of the land is close to the initial acquisition cost of the land.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>5. RECEIVABLE FROM SCHEMES</b>	<i>Note</i>	----- Rupees -----	
Management fee receivable	5.1	181,246,698	99,997,332
Scheme setup cost receivable	5.2	220,398,507	116,214,751
Other receivables	5.3	<u>25,744,395</u>	<u>-</u>
		<u>427,389,600</u>	<u>216,212,083</u>

**5.1 Management fee receivable**

*Secured*

Silk World Islamic REIT	5.1.1	<u>87,917,186</u>	<u>52,826,596</u>
		87,917,186	52,826,596

*Unsecured*

Dolmen City REIT		31,516,965	30,830,626
Silk Islamic Development REIT		25,541,096	8,451,781
DHA Dolmen Lahore REIT		22,600,000	-
Globe Residency REIT		7,975,013	7,888,329
Rahat Residency REIT		<u>5,696,438</u>	<u>-</u>
		93,329,512	47,170,736
		<u>181,246,698</u>	<u>99,997,332</u>

**5.1.1** The management fee receivable from Silk World Islamic REIT is fully secured against an amount of Rs. 94.191 million (June 30, 2022: Rs. 94.191 million) included in the advance from a banking company amounting to Rs. 305.877 million (June 30, 2022: Rs. 305.877 million) as disclosed in note 9 to these condensed interim financial statements.

**5.2 Scheme setup cost receivable**

These represent receivable from REIT schemes in relation to certain preliminary expenditures incurred by the Company on their behalf. A scheme-wise breakdown of such expenditures is presented below:

*lu*



	December 31, 2022				
	Land development costs	Fees and subscription	Legal and professional charges	Other expenses	Total
	Rupees				
Silk Islamic Development REIT	89,622,582	-	-	-	89,622,582
Silk World Islamic REIT	95,460,146	19,080,753	1,838,829	2,022,672	118,402,400
Pakistan Corporate CBD REIT	-	-	-	740,525	740,525
Globe Residency REIT	2,781,667	-	1,140,699	1,089,025	5,011,391
Sapphire Bay Islamic Development REIT	-	-	36,499	763,025	799,524
DHA Dolmen Lahore REIT	-	54,615	-	1,649,025	1,703,640
Naya Nazimabad Appartments REIT	-	-	6,375,000	1,597,170	7,972,170
Rahat Residency REIT	-	-	6,375,000	1,515,670	7,890,670
	<u>187,864,395</u>	<u>19,135,368</u>	<u>15,766,027</u>	<u>9,377,112</u>	<u>232,142,902</u>

	June 30, 2022				
	Land development costs	Fees and subscription	Legal and professional charges	Other expenses	Total
	Rupees				
Silk Islamic Development REIT	2,674,333	-	-	-	2,674,333
Silk World Islamic REIT	80,624,559	19,080,753	1,838,829	1,740,172	103,284,313
Pakistan Corporate CBD REIT	-	-	-	740,525	740,525
Globe Residency REIT	2,781,667	-	36,499	1,089,025	3,907,191
Sapphire Bay Islamic Development REIT	-	-	36,499	763,025	799,524
DHA Dolmen Lahore REIT	-	-	-	1,266,525	1,266,525
Naya Nazimabad Appartments REIT	-	-	500,000	1,271,170	1,771,170
Rahat Residency REIT	-	-	500,000	1,271,170	1,771,170
	<u>86,080,559</u>	<u>19,080,753</u>	<u>2,911,827</u>	<u>8,141,612</u>	<u>116,214,751</u>

(Un-audited) (Audited)  
December 31, June 30,  
2022 2022  
----- Rupees -----

### 5.3 Other receivables

Receivable from Silk Islamic Development REIT  
in respect of following expenditures incurred  
by the Company on its behalf:

- Advertisement costs	11,744,395	-
- Project management costs	14,000,000	-
	<u>25,744,395</u>	<u>-</u>

### 6. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	1,330,795	2,181,091
Receivable from related parties - unsecured		
- Javedan Corporation Limited	3,502,837	3,333,337
- Dolmen City REIT	950,974	50,085
	<u>4,453,811</u>	<u>3,383,422</u>
Other receivables	2,246,884	431,243
	<u>8,031,490</u>	<u>5,995,756</u>

*h*

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
<b>7. CASH AND BANK BALANCES</b>			
Cash in hand		30,000	30,000
Cash at bank:			
- Saving accounts	7.1	4,653,717	184,134,828
- Current accounts		9,707	10,550
		4,663,424	184,145,378
		<u>4,693,424</u>	<u>184,175,378</u>

7.1 These carry markup at the rates ranging from 4.00% to 15.5% (June 30, 2022: 6.89% to 15%) per annum.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
<b>8. LONG TERM LOAN</b>			
Bank Al Habib Limited	8.1	<u>400,000,000</u>	<u>400,000,000</u>

8.1 In June 2021, the Company had obtained a long term financing, amounting to Rs. 400 million, from M/s. Bank Al Habib Limited to meet its working capital requirements. In July 2021, the said facility was converted to Diminishing Musharika Financing in order to fund the two-third portion of the Company's 20% investment in the units of Silk Islamic Development REIT (SIDR). Subsequently, in April 2022, the bank approved the revised terms and conditions of the facility which are as follows:

- (a) The profit is calculated at 6-Month average KIBOR + 1.5% (with a floor of 5% p.a. and a cap of 18% p.a.). The average KIBOR is to be reviewed on the first day of the each calendar quarter. The tenor of financing is 5 years from the date of disbursement (including 2 years grace period). The rental will be recovered on quarterly basis and the bank's share in the shape of units will also be purchased on a semi-annual basis.
- (b) The financing arrangement is secured against the following:
  - assignment of periodic management fee to be received from Dolment City REIT;
  - title and ownership of the investment in units of SIDR in the joint name of the bank;
  - pledge of 15,500,000 (June 30, 2022: 15,500,000) shares of M/s. Arif Habib Corporation Limited (with 30% margin) held by Mr. Arif Habib valuing Rs. 533.82 million (June 30, 2022: Rs. 573.5 million); and
  - joint personal guarantee of Mr. Arif Habib and Mr. Abdus Samad A. Habib amounting to Rs. 571.5 million (June 30, 2022: Rs. 571.5 million).

*lv*



(Un-audited)	(Audited)
December 31,	June 30,
2022	2022
----- Rupees -----	

## 9. ADVANCE FROM A BANKING COMPANY

*For Silk World Islamic REIT Scheme (SWIR)*

Opening balance	305,876,802	-
Funds received during the period / year	-	370,952,078
Fund repaid during the period / year	-	-
Expense paid on behalf of banking company	-	(65,075,276)
<b>Closing balance</b>	<b>305,876,802</b>	<b>305,876,802</b>

9.1 This represents an advance received from a commercial bank for the purpose of funding certain initial expenditures incurred or to be incurred on the setting up of Silk World Islamic REIT (SWIR) which include, but are not limited to, expenses relating to feasibility studies, asset valuation, legal counsel and court fees, land transfer duties and taxes and charges to be paid to Sindh Building Control Authority (SBCA). The principal terms and conditions of the advance are as follows:

- Repayment of the advance shall only be made out of the reimbursements of set up costs to be received from SWIR; and
- The advance shall not bear any interest.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2022	2022
Note	----- Rupees -----	

## 10. ACCRUED EXPENSES AND OTHER PAYABLES

Accrued expenses	10.1	11,376,623	6,705,717
------------------	------	------------	-----------

Other payables:

- Sales tax payable	10.2	20,315,194	10,873,868
- Due to a related party		12,000,000	-
- Withholding taxes payable		204,389	587,662
- Preliminary expenses payable		-	522,410
- Others		537,723	535,051
		33,057,306	12,518,991
		<b>44,433,929</b>	<b>19,224,708</b>

10.1 This includes Rs. 0.441 million (June 30, 2022: Rs. 0.402 million) payable to M/s. Rotocast Engineering Company (Private) Limited, a related party.

10.2 This represents an amount received from Mr. Arif Habib for funding the advertisement costs incurred on behalf of Silk Islamic Development REIT (refer note 5.3).

## 11. CONTINGENCIES AND COMMITMENTS

As of the reporting date, no material contingencies and commitments were known to exist (June 30, 2022: None).

*h*



			Half year ended (un-audited)		Quarter ended (un-audited)	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
12.	<b>OPERATING REVENUE - net</b>	<i>Note</i>	----- Rupees -----			
	Management fee	12.1	159,958,597	85,799,018	91,030,151	53,771,224
	Advisory fee		2,260,000	282,218	1,130,000	282,218
			162,218,597	86,081,236	92,160,151	54,053,442
	Less: Sindh sales tax on services		(18,662,317)	(9,903,151)	(8,677,426)	(6,218,539)
			143,556,280	76,178,085	83,482,725	47,834,903
12.1	<b>Management fee</b>					
	Dolmen City REIT		63,532,227	51,051,705	31,516,965	26,918,431
	Silk World Islamic REIT		35,090,590	18,308,135	17,545,295	18,308,135
	DHA Dolmen Lahore REIT		22,600,000	-	22,600,000	-
	Silk Islamic Development REIT		17,089,315	16,439,178	8,544,658	8,544,658
	Globe Residency REIT		15,950,027	-	7,975,014	-
	Rahat Residency REIT		5,696,438	-	2,848,219	-
			159,958,597	85,799,018	91,030,151	53,771,224
13.	<b>ADMINISTRATIVE EXPENSES</b>					
	Salaries, allowances and benefits		34,204,878	26,872,646	16,936,677	15,179,126
	Office maintenance charges		2,329,282	966,068	1,353,139	490,670
	Training and membership expenses		2,044,956	8,000	1,800,556	-
	Legal and professional		1,295,078	1,834,599	385,338	901,218
	Insurance		1,279,798	1,074,701	702,885	537,333
	Depreciation on right-of-use asset		1,212,364	1,212,365	606,182	606,182
	Directors' meeting fee		825,000	850,000	275,000	450,000
	Depreciation on property and equipment		728,931	342,461	337,728	228,111
	Travelling expense		661,119	1,754,522	446,168	715,480
	Rent expense		637,089	-	313,816	-
	Auditor's remuneration		519,950	364,500	336,200	182,250
	Communication		395,484	280,880	221,767	149,394
	Printing and stationery		303,920	350,508	300,920	209,218
	Amortization		87,960	1,068	43,980	534
	Professional tax		29,990	54,192	-	27,096
	Others		8,741,388	1,354,989	5,643,414	490,790
			55,297,187	37,321,499	29,703,770	20,167,402
14.	<b>OTHER EXPENSES</b>					
	Advertisement fee		3,371,986	300,000	2,800,000	300,000
	Donation		19,000	349,000	4,500	349,000
	Brokerage and commission		-	535,976	-	-
	Feasibility fee		-	35,000	-	35,000
			3,390,986	1,219,976	2,804,500	684,000
15.	<b>OTHER INCOME</b>					
	Mark-up on bank deposits		8,149,815	6,553,336	1,722,770	5,656,856
	Liabilities no longer payable written back		522,410	-	522,410	-
	Gain on sale of operating fixed assets		3,591	-	-	-
	Gain on sale of short term investments		-	602,000	-	-
	Dividend income		-	168,872	-	168,872
			8,675,816	7,324,208	2,245,180	5,825,728
16.	<b>FINANCE COSTS</b>					
	Markup on long term loan		32,843,841	19,692,050	16,994,855	10,164,379
	Interest on unwinding of the lease liability		32,149	313,741	32,149	145,047
			32,875,990	20,005,791	17,027,004	10,309,426

*h*



17. TAXATION	Half year ended (un-audited)		Quarter ended (un-audited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Current - for the period	18,086,955	8,701,191	6,481,560	5,878,988
Current - for prior period	-	310,076	-	310,076
	18,086,955	9,011,267	6,481,560	6,189,064
Deferred	(251,180)	177,352	(34,338)	(34,351)
	17,835,775	9,188,619	6,447,222	6,154,713

18. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, the company managing the Voluntary Pension Scheme, sponsors, key management personnel (including directors) and their close family members. Details of transactions carried out and balances held with related parties are as follows:

	(Un-audited) December, 31 2022	(Un-audited) December, 31 2021
	----- Rupees -----	
<b><u>Transactions during the period:</u></b>		
<b>Dolmen City REIT</b>		
(A scheme managed by the Company)		
Receipt of expenses	-	1,433,833
Expenses paid	900,889	-
<b>Silk Islamic Development REIT</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	101,948,249	119,996,690
Receipt of set up costs	15,000,000	117,322,357
Purchase of units	-	600,000,000
<b>Silk World Islamic REIT</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	15,118,087	103,284,313
<b>Pakistan Corporate CBD REIT -</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	-	950,525
Receipt of set up costs	-	210,000
<b>Globe Residency REIT -</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	1,104,200	3,907,191
<b>Sapphire Bay Islamic Development REIT -</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	-	799,524
<b>Naya Nazimabad Apartment REIT</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	6,201,000	1,771,170
<b>Rahat Residency REIT</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	8,967,719	1,771,170
<b>DHA Dolmen Lahore REIT</b>		
(A scheme managed by the Company)		
Scheme set up costs paid	437,115	1,266,525

*h*

	(Un-audited) December, 31 2022	(Un-audited) December, 31 2021
	----- Rupees -----	
<b>Arif Habib Consultancy (Private) Limited</b> (Associated company due to common directorship) Receipt during the year	-	227,222
<b>Arif Habib Limited</b> (Associated company due to common directorship) Brokerage commission paid	-	516,000
<b>Arif Habib Development and Engineering Consultants (Private) Limited</b> (Associated company due to common directorship) Loan Disbursed	14,000,000	-
Expenses paid	-	269,632
Receipt of expenses	-	1,320,077
<b>MCB Arif Habib Savings and Investment Limited</b> (Associated company due to common directorship) Paid against employer's VPS contribution paid	1,437,540	3,130,782
<b>Arif Habib Corporation Limited</b> (Associated company due to common directorship) Payment against expenses	-	8,814,000
<b>Javedan Corporation Limited</b> (Associated company due to common directorship) Expense paid	169,500	-
<b>Rotocast Engineering Company (Private) Limited</b> (Associated company due to common directorship) Rent payment	-	5,945,498
Common shared expenses	1,009,215	3,574,741
Payment of common shared expenses	633,705	3,399,249
Administration charges	117,067	232,166
Payment of administration charges	62,330	214,911
Office insurance	-	71,839

**Balances with related parties as at the reporting date :**

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees -----	
<b>Dolmen City REIT -</b> (A scheme managed by the Company) Receivable as at year end	950,974	45,000
<b>Silk Islamic Development REIT -</b> (A scheme managed by the Company) Receivable against setup cost	89,622,582	2,674,333
<b>Silk World Islamic REIT -</b> (A scheme managed by the Company) Receivable against setup cost	118,402,400	103,284,313
<b>Pakistan Corporate CBD REIT -</b> (A scheme managed by the Company) Receivable against setup cost	740,525	740,525
<b>Globe Residency REIT -</b> (A scheme managed by the Company) Receivable against setup cost	5,011,391	3,907,191

*h*



	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees -----	
<b>Sapphire Bay Islamic Development REIT -</b> (A scheme managed by the Company) Receivable against setup cost	<u>799,524</u>	<u>799,524</u>
<b>Naya Nazimabad Apartment REIT</b> (A scheme managed by the Company) Receivable against setup cost	<u>7,972,170</u>	<u>1,771,170</u>
<b>Rahat Residency REIT</b> (A scheme managed by the Company) Receivable against setup cost	<u>10,738,889</u>	<u>1,771,170</u>
<b>DHA Dolmen Lahore REIT</b> (A scheme managed by the Company) Receivable against setup cost	<u>1,703,640</u>	<u>1,266,525</u>
<b>Arif Habib Consultancy (Private) Limited</b> (Associated company due to common directorship) Receivable as at year end	<u>-</u>	<u>227,222</u>
<b>Arif Habib Limited</b> (Associated company due to common directorship) Payable as at year end	<u>10,556</u>	<u>10,556</u>
<b>Arif Habib Development and Engineering Consultants (Private) Limited</b> (Associated company due to common directorship) Receivable as at year end	<u>14,000,000</u>	<u>-</u>
<b>Javedan Corporation Limited</b> (Associate Company due to common directorship) Receivable as at year end	<u>3,502,837</u>	<u>3,333,337</u>
<b>Rotocast Engineering Company (Private) Limited</b> (Associated company due to common directorship) Payable as at year end	<u>440,803</u>	<u>401,707</u>

**19. GENERAL**

**19.1 Date of authorisation of the condensed interim financial statements**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 27 FEB 2023.


**19.2 Level of rounding**

All figures in these condensed interim financial statements have been rounded off to the nearest rupee.

*h*

  
Chief Executive

  
Chief Financial Officer

  
Director