



ARIF HABIB DOLMEN

REIT MANAGEMENT LIMITED

Arif Habib Centre,
23, M.T.Khan Road, Karachi.

021-111-245-111

www.arifhabibdolmenreit.com

DOLMEN CITY REIT

ANNUAL REPORT

2023



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

SAPPHIRE





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SCHEME'S INFORMATION

Management Company

Arif Habib Dolmen REIT Management Limited

Board of Directors

Mr. Arif Habib	Chairman
Mr. Nadeem Riaz	Director
Mr. Naeem Ilyas	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Muhammad Noman Akhter	Independent Director
Mr. Abdus Samad A. Habib	Director
Mr. Faisal Nadeem	Director
Mr. Sajid Ullah Sheikh	Director
Mr. Muhammad Ejaz	Chief Executive Officer

Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Noman Akhter	Member

Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Ejaz	Member

Other Executives:	Mr. Razi Haider	CFO & Company Secretary
	Mr. Murtaza Shabbir	Head of Internal Audit & Compliance
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block "B" S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.	
Share Registrar:	CDC Share Registrar Services Limited CDC House, 99-B, Block "B" S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.	
Bankers:	Bank Al Habib Limited	Askari Bank Limited
	Fasal Bank Limited	Habib Bank Limited
	Habib Metropolitan Bank Limited	Meezan Bank Limited
	United Bank Limited	Allied Bank Limited
	Bank Alfalah Limited	Dubai Islamic Bank
	National Bank of Pakistan	
External Auditor	KPMG Taseer Hadi & Co. Chartered Accountant, Sheikh Sultan Trust Building No.2, Beaumont Road, Civil Lines, Karachi, 75530	
Internal Auditor	Junaidy Shoaib Asad & Co. Chartered Accountants, 1/6-P, P.E.C.H.S., Mohtarma Laeeq Begum Road, Off Shahrah-e-Faisal, Karachi.	
Legal Advisor	Mohsin Tayabaly & CO. Corporate Legal Consultants, 1st Floor, Dime Center, BC -4 Block 9, Kekashan, Clifton Karachi.	
Property Manager:	Dolmen Real Estate Managemet (Private) Limited.	
Property Valuer:	MYK Associates (Pvt.) Limited MYK HOUSE, 52-A, Block 'B', Street # 5, Muslim Cooperative Housing Society (S.M.C.H.S.), Karachi.	
Shariah Advisor:	Alhamd Shariah Advisor Service (Private) Limited.	
Rating Agency	VIS Credit Rating Company Limited VIS House, 128/C, 25th Lane Off Khayaban-e-Ittehad, Phase VII, DHA, Karachi.	
Current Ratings	DCR Rating: AAA (rr) (REIT Rating) RMC Rating: AM2+ (RMC) (Management Quality Rating).	
Registered Office of Management Company	Arif Habib Centre, 23 M.T. Khan Road, Karachi.	

VISION

- “all eyes on you”

As Pakistan’s first REIT, DCR aims to maintain its position as the premier office and retail Real Estate Investment Trust.

MISSION

- “challenge the status quo and try new things”

Be a space where people aspire to work
Inspiring you to achieve more

Be the place where people love to shop
Enhance the customer experience to maximize shopper loyalty

To be the landlord of choice
Optimizing the tenancy mix through proactive leasing

DELIVERING VALUE

- “**security, stability, resilience**”
Providing our unit holders with regular, stable distributions and sustainable long term growth



BOARD OF DIRECTORS' PROFILE

Mr. Arif Habib Chairman

Mr. Arif Habib is the Chairman of Arif Habib Group and Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Fatima Fertilizer Company Limited, Aisha Steel Mills Limited, Javedan Corporation Limited (the owner of Naya Nazimabad) and Sachal Energy Development (Pvt.) Limited and Arif Habib Dolmen REIT Management Limited.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of Advisory Committee of Planning Commission.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as trustee of Memon Health & Education Foundation (MMI).

Corporate Responsibilities

As Chairman

Fatima Fertilizer Company Limited
Fatimafert Limited
Sachal Energy Development (Private) Limited
Javedan Corporation Limited
Aisha Steel Mills Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Sapphire Bay Development Company Limited
Arif Habib Foundation
Naya Nazimabad Foundation
Black Gold Power Limited
Essa Textile and Commodities (Private) Limited

As Director

Arif Habib Corporation Limited
Arif Habib Equity (Private) Limited
Arif Habib Consultancy (Private) Limited
Fatima Cement Limited
International Builders and Developers (Private) Limited
NCEL Building Management Limited
Pakarab Energy Limited
The Pakistan Business Council
Pakistan Engineering Company Limited
Pakistan Opportunities Limited

As Honorary Trustee/Director

Habib University Foundation
Karachi Education Initiative
Memon Health and Education Foundation
Pakistan Centre for Philanthropy
Memon Education Board

Mr. Nadeem Riaz Non-Executive Director

Mr. Nadeem Riaz has experience of over 32 years in the real estate market developing and managing renowned and award winning residential, commercial and retail projects. He is a pioneer in developing international standard shopping malls in Pakistan, transforming the dynamics of the retail industry.

Mr. Riaz is a member of both International Council of Shopping Centers and Middle East Council of Shopping Centers, since 2002.

Corporate Responsibilities

As Director

DHA Dolmen Lahore (Private) Limited
Dolmen (Private) Limited
Dolmen Project Management (Private) Limited
Dolmen Real Estate Management (Private) Limited
Grove (Private) Limited
International Complex Projects Limited
Retail Avenue (Private) Limited
Sindbad Wonderland (Private) Limited

Mr. Naeem Ilyas

Independent Director

Mr. Naeem Ilyas has over 30 years of strategic cum operational management level combined experience. He has served in senior positions across corporates including FMCG, Pharmaceuticals, Process Industry, Building MEP Design Consultancy, Digital healthcare, Proptech, e-Commerce, Information Technology.

Engr. Naeem Ilyas is a Pakistan Engineering Council registered Professional Engineer (PE) and associated as MEP Design Engineering & building services, having MBA, LLB, MA (Eco), PGD (NILAT) degrees/diplomas and has specialization in operations management from LUMS / McGill. He has founded REIT Academy and Institute of Real Assets Development & Management (IRADM). He is CEO at Magna Engineering (Pvt) Ltd and Director at Easy Health Tech Int'l (Pvt) Ltd., Infinitum Technologies (Pvt) Ltd. and some other companies.

He has been instrumental in developing e-commerce land scape in Pakistan, attended exposure study trips at MIT, Harvard Business School and Stanford University in USA and successfully exited from well-known ecommerce business after arranging road shows in Boston, Silicon Valley, Washington and UAE.

He is also serving as a board member of HANDS (not for profit), has also served as Justice of Peace and member CPLC for several years , Founder Chairman PQATI (BQATI), Vice Chairman LATI, Chairman EFP-NICC Forum, Managing Trustee of MPF Educational Trust, Secretary General of Memon Professional Forum (MPF). He during his academics received President Talent Farming Scholarship and IAESTE Student Exchange Trainings in Central Asian States. He has professional hands on experience and trainings in Canada, Japan, Germany, China and Middle East. He is member of Pakistan Institute of Corporate governance (PICG), ICSP and Certified Director from IBA, Karachi. He has also served as visiting faculty member at ICMAP, NED University, IBA –Karachi, Hamdard University and others.

Corporate Responsibilities

Magna Engineering (Private) Limited (Chief Executive)
Parents Pakistan (SMC-Private) Limited (Chief Executive)

As Director

Easy Health Tech Int'l (Private) Limited
Fahim, Nanji & Desouza (Private) Limited
Institute of Holistic Rehabilitation & Inclusion (IHRI) (Private) Limited
Infinitum Technologies (Private) Limited

Ms. Tayyaba Rasheed

Independent Director

Ms. Tayyaba Rasheed has more than 20 years of rich and diverse experience in corporate and Investment Banking. Her area of expertise includes investment banking, corporate finance and relationship management with profound understanding of structured financing, infrastructure advisory, capital markets and islamic finance. She has closed numerous landmark Infra and capital market deals in her career. She was last serving as Head of Investment Banking Group at a large commercial bank. Prior to that she had worked in a senior position at CIBG NBP and Bank Alfalah where she started her career as Management Trainee Officer. She is currently working in the portfolio management function of one of the large Multilateral Banks.

She holds an MBA degree from IBA and is a CFA, FRM charter holder. She holds Real Estate Developer Finance Certification from Moody's and various Islamic Banking certifications from NIBAF and IBA CEIF. She has completed the Directors Training Program and is a certified Independent Director.

Corporate Responsibilities

As Director

Aisha Steel Mills Limited
United Brands Limited
Pakistan Railway Freight Transportation Company (Pvt) Limited

Mr. Muhammad Noman Akhter

Independent Director

Mr. Muhammad Noman Akhter is a qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He brings with him over 19 years of diversified experience in public and private organizations. He served in Securities & Exchange Commission of Pakistan (SECP) for more than 13 years. Prior to joining SECP in May 2008, he worked with Pakistan Cables Limited, A. F. Ferguson & Co. He started his career from Taseer Hadi Khalid & Co. a member of KPMG International.

Corporate Responsibilities

Proton Technologies (Private) Limited (Chief Executive)

Partnerships

Faizan Associates
AabPara Residency
KNJ Builders and Developers

As Director

Tech Menders (Private) Limited

Mr. Abdus Samad A. Habib

Non-Executive Director

Starting his career at Arif Habib Corporation Limited, Mr. Samad Habib developed his experience in sales, marketing and corporate activities working his way up through various executive positions.

In 2004, Mr. Samad Habib joined Arif Habib Limited leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr. Samad Habib transitioned to Javedan Corporation Limited, in 2011, as the driving force behind the transformation of a dilapidated cement plant to a vibrant living community, Naya Nazimabad. Mr. Samad Habib has been pivotal to advancing positive societal change, providing the city's middle class an elevated standard of living. His dedication, passion for social betterment and optimism are set to further transform the area with the largest commercial precinct development in the city presently under planning.

In 2019, Mr. Samad Habib took on the role of CEO at Safemix Concrete. Guided by his strategic acumen, Safemix Concrete has undergone a remarkable transformation from a lossmaking entity to a profitable enterprise.

Corporate Responsibilities

Javedan Corporation Limited (Chief Executive)
Safemix Concrete Limited (Chief Executive)

As Chairman

NN Maintenance Company (Private) Limited

As Director

Aisha Steel Mills Limited
Arif Habib Corporation Limited
Arif Habib Equity (Pvt.) Limited
Arif Habib Foundation
Arif Habib Development and Engineering Consultants (Private) Limited
Black Gold Power Limited
Nooriabad Spinning Mills (Pvt.) Limited
Memon Health and Education Foundation
Pakistan Opportunities Limited
Power Cement Limited
Rotocast Engineering Company (Pvt.) Limited
Sapphire Bay Development Company Limited
Sukh Chayn Gardens (Pvt.) Ltd.
Sachal Energy Development (Private) Limited

Mr. Faisal Nadeem

Non-Executive Director

Mr. Faisal is a director at the Dolmen Group, one of Pakistan's leading real estate organizations. He has been involved in the development, marketing and management of prime commercial and retail real estate projects including Dolmen Mall Clifton.

Mr. Faisal started career as Manager Special Projects associated with the development of Dolmen Mall Tariq Road, Dolmen Mall Hyderi, Dolmen Food Courts, The Harbour Front Office Tower and Dolmen Mall Clifton.

He later served in the capacity of Director Leasing, for the Dolmen property portfolio. He is currently serving as the Chief Operating Officer at Dolmen Real Estate Management (Pvt.) Limited, which manages over 2 million square feet of prime retail and commercial space.

Corporate Responsibilities

As Director

International Complex Projects Limited
Sindbad Wonderland (Private) Limited
Grove (Private) Limited
Retail Avenue (Private) Limited
DHA Dolmen Lahore (Private) Limited
Dolmen (Private) Limited
Dolmen Project Management (Private) Limited
Dolmen Real Estate Management (Private) Limited
Salfo Pakistan (Private) Limited

Mr. Sajid Ullah Sheikh

Non-Executive Director

Mr. Sajid Ullah Sheikh is a Fellow member of Institute of Chartered Accountants of Pakistan. His association with Dolmen Group spans over 12 years and he is currently working as Group Director Finance at the Dolmen Group. He started his career with KPMG Taseer Hadi and Co. later joined Avery Dennison Pakistan before associating with Dolmen Group.

Corporate Responsibilities

As Director

Grove (Private) Limited
DHA Dolmen Lahore (Private) Limited

Mr. Muhammad Ejaz

Chief Executive

Mr. Muhammad Ejaz is the founding Chief Executive of Arif Habib Dolmen REIT Management Limited, Pakistan's pioneering REIT Management Company. He has been associated with Arif Habib Group since August 2008 and sits on the board of several group companies. He has spear headed several group projects when these were at a critical stage during their execution.

Prior to joining Arif Habib Group, Ejaz has served at senior positions with both local and international banks. He was the Treasurer of Emirates NBD bank in Pakistan and served Faysal Bank Pakistan as Regional Head of Corporate Banking Group. He also served Saudi-Pak bank (now Silk bank) as Head of Corporate and Investment Banking. He also had short stints at Engro Chemical and American Express bank.

Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi, where he has also served as a visiting faculty member. He has also conducted programs at NIBAF-SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager.

He actively participates in the group's CSR initiatives especially those, which render services in the fields of health and education with emphasis on female literacy.

Corporate Responsibilities

As Director

Arif Habib Corporation Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Javedan Corporation Limited
Sachal Energy Development (Private) Limited
Sapphire Bay Development Company Limited

CHAIRMAN'S REVIEW





CHAIRMAN'S REVIEW

Dear Unit Holders of Dolmen City REIT

The Board of Directors Arif Habib Dolmen REIT Management Limited, the REIT Management Company (RMC), have issued a separate report on the performance and the future outlook of Dolmen City REIT (DCR).

The Board is responsible for overseeing the Management of the REIT and in turn the Unit Holders' best interest.

I, in my capacity of Chairman of the Board, am issuing this report on my assessment of the performance of the Board.

It gives me great satisfaction to report that the Board has been meeting regularly and maintained continuous oversight and while being cognizant of its role and responsibilities, which it has carried out diligently in order to up hold the best interest of the Unit Holders of DCR.

The Board's composition has a balance of executive, non-executive and independent directors and the Board, as a whole, has the core competencies, diversity, requisite skills, knowledge and experience necessary in the context of the DCR's operations.

The Board has formed Audit, as well as Human Resource and Remuneration Committees. It has approved the Committees' Terms of Reference (TORs) and ensured that the respective members of the Committees are equipped with the necessary resources required by them to carry out assigned roles and responsibilities.

Throughout the year, the Management continued to bring all significant issues before the Board and its Committees to ensure robustness of the decision making process; in particular, all the related party transactions entered into, were brought to the Board's attention and were reviewed in detail by the Audit Committee and thereafter, the Board.

The Board has developed and has been ensuring the implementation of a Code of Conduct covering professional standards, ethical practices and corporate values, that have been adhered to in the Management Company's conduct, as well as in managing DCR by the Management with respect to the day-to-day operational activities.

The Board carried out an evaluation of the Board's own performance and that of its Committees, as well as that of individual Directors. The Board is extremely satisfied with the result of its self-assessment.

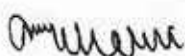
All meetings of the Board, as well as those of its Committees were held with the requisite quorum and all the decisions were taken through Board resolutions. The minutes of the Board meetings, as well as that of its Committees were accurately recorded and circulated amongst the Members with regularity and timeliness. The Board and the Audit Committee have reviewed and are satisfied that there are adequate systems of internal control in place and that these were regularly assessed for implementation and adequacy.

All the key executives of the Management Company who serve the best interest of the Unit Holders of DCR, were evaluated and appropriate compensation was given so as to ensure that they perform their respective functions diligently. The key executives included the Chief Executive, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit.

The Board has prepared and approved the Directors Report and has ensured that the Directors Report is published with the Quarterly and Annual Financial Statement of the Scheme and the contents of the Directors Report are in accordance with the requirement of applicable laws and regulation

The Board exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on DCR and it has ensured compliance with all the applicable laws and regulation while exercising their powers and making decisions.

The evaluation of the Boards performance is assessed based on those key areas where the Board require clarity in order to provide high level oversight, including strategic process, key business drivers and performing milestones, the economic environment in which the Scheme operates, the risks faced by Scheme Business, Board Dynamics, Capability and information flows. Based on the aforementioned, it can be reasonably be stated the Board of Directors of the RMC has played a key role in ensuring that Scheme's objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members.



Arif Habib
Chairman

27 October 2023

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Unitholders of Dolmen City REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited, we are pleased to present the Annual Report of Dolmen City REIT ("DCR" or "the Scheme") and the audited financial statements for the financial year ended June 30 2023, together with auditors' report and other statutory reports.

Overview

Dolmen City Clifton is a mixed-use complex situated on the waterfront at the intersection of Defence and Clifton's exclusive residential districts in Karachi, Pakistan. It comprises of four towers: Sky Tower A, Sky Tower B, Harbour Front and Executive Tower and a mall. At the base of the complex is Dolmen Mall, a three-level shopping mall offering premium retail space over an area of approximately 800,000 sq ft (56,000 m2). The total development area is 3,441,340 sq ft (319,711 m2).

Dolmen Mall Clifton has revolutionized the retail experience in Pakistan. The mall brings together the best in food, fashion and leisure. With over 130 retail outlets, a hypermarket and a food court that can accommodate 1,200 customers. Dolmen Mall Clifton is Pakistan's first international standard shopping mall, offering a wide selection of domestic and international brands such as Mango, Carrefour, Khaadi, Sapphire, Nike, Diesel, Aldo, Charles & Keith. It offers shoppers exclusive access to the world's most popular retail brands and restaurants, attracting customers from all over the country.

Dolmen Mall is a 3-level shopping mall built in 2011 with an area of 800,000 sq ft (56,000 m2), of which 547,924 sq ft (50,903.8 m2) are leasable. The occupancy rate of the mall is 98.3% as of Q1 2020.

Tower A and B are 150 m (490 ft) in height, 40 floors each, designed by architect Arshad Shahid Abdulla. Both towers offer office space, while Tower B will also host a hotel/serviced apartments on its ten top floors. Executive Tower is a 17-floor office building. Harbour Front is an office building with 19 floors and houses several multinational corporations.

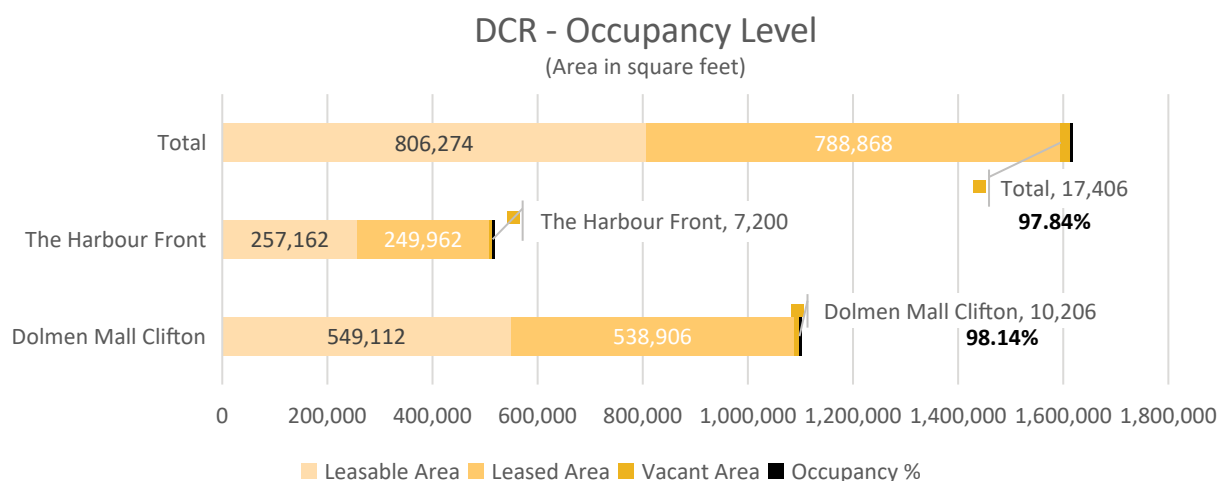
Operational Performance

DCR's real estate has witnessed consistent occupancy levels since inception in 2015. Occupancy at the end of June 2023 was 97.84% (June 30, 2022: 98.07%).

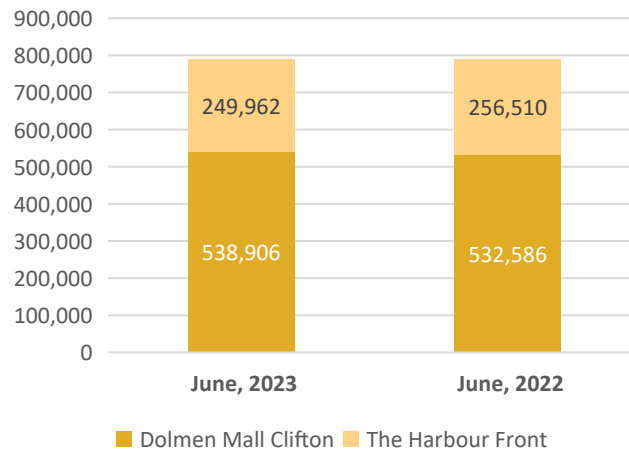
Previously actioned long-term strategic measures to strengthen partnership with tenants bore fruit in the form of several new tenants including Ideas, Cross Stitch, The Bank of Punjab, Saya, Zara Shahjahan, and The Potato Factory amongst others.

Space for new tenants was created by outgoing tenants including Shamraf, KAPRAY, Asia Pacific Electric and Firhaj among others. The encouragement of new tenants results in a better and more diverse consumer buying experience.

Occupancy level at Dolmen Mall Clifton and Harbour Front at year end is as follows:



DCR - Occupancy Variation (Area in square feet)



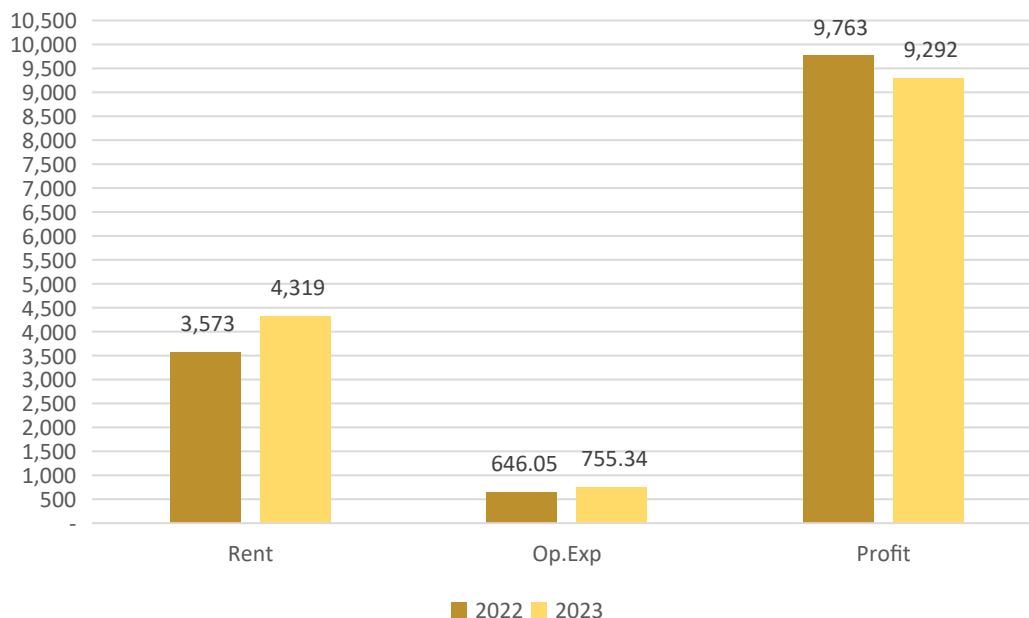
As on June 30 2023, the Weighted Average Lease Expiry 'WALE' based on the leasable area of Dolmen City Mall (66% of the total area) is around 6.48 years and of the Harbour Front (34% of the total area) is around 3.91 years (DCR's current average lease expiry is 5.61 years).

Financial Performance

DCR's fund size as on June 30 2023 was PKR 69.50 billion (June 30 2022: PKR 64.03 billion) making it the biggest closed-end, Shariah compliant, listed instrument in Pakistan.

During the year under review, DCR recorded rental income of PKR 4,318.76 million (June 30 2022: PKR 3,573.66 million), marketing income of PKR 258.39 million (June 30 2022: PKR 221.54 million) and profit on Shariah compliant bank deposits of PKR 243.69 million (June 30 2022: PKR 126.75 million). Administrative, operating and other expenses amounted to PKR 755.34 million (June 30 2022: PKR 646.05 million).

Financial Performance (PKR 'Million)

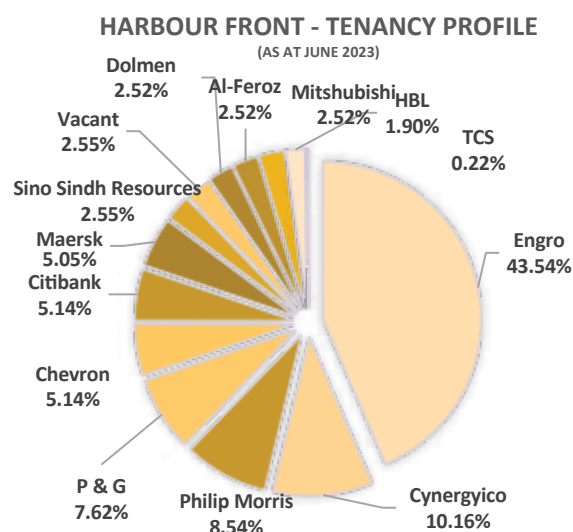
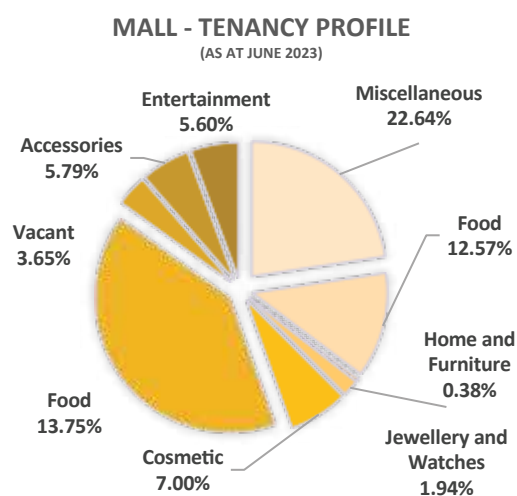


An amount of 5.23 billion was also recorded as change in fair value of investment property as valued by MYK Associates (Private) Limited, an independent valuer (Refer to note 4 to the financial statements). This translates to Profit after tax of PKR 9.29 billion (June 30 2022: PKR 9.76 billion) and Earning per unit (EPU) of PKR 4.18. The EPU comprises of distributable income of PKR 1.83 and PKR 2.35 being un-distributable unrealised fair value gains. The valuation opinion is a critical component for both the half-year and annual financial results. The Board has had full access to each valuation while reviewing the financial statements with the management and is satisfied that the fair valuation of the REIT properties were conducted in accordance with the rules.

DCR Tenancy Profile

Existing occupancy of the real estate is held by credible tenants (mostly international brands and multinational corporations) with a track record of financial stability. Dolmen Mall Clifton anchored by Hyperstar and Sindbad has a strong mix of local and international brands including Mango, Next, Nike, Aldo, Khaadi, Timberland and Charles & Keith creating a strong, steady flow of customers. The highest occupancy by tenant retail category is apparel (40.44%) followed by food (12.57%) while other categories represent an even tenancy mix. The mall provides a strong customer experience as it accommodates all top local and international brands currently operating in the city.

The current tenant portfolio of The Harbour Front boasts leading local and multinational corporations such as Engro Corp, Phillip Morris, Mitsubishi Corp. and Procter & Gamble, amongst others. There are 17 lettable floors.

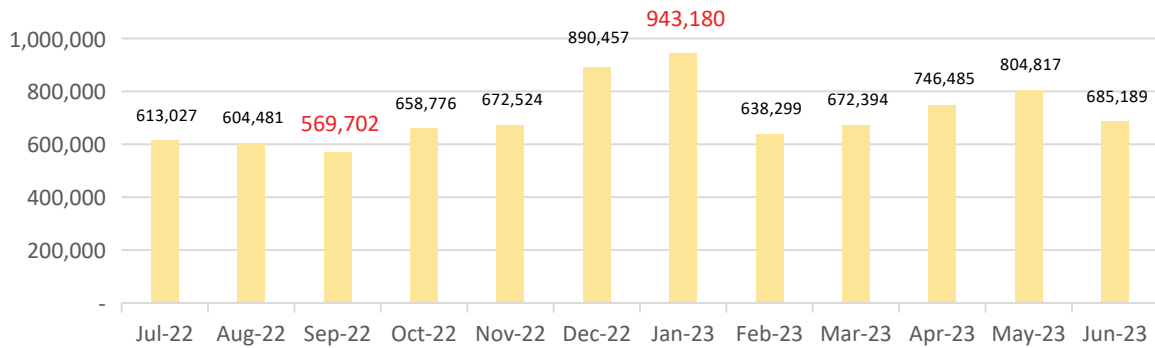


The Property Manager of DCR played an instrumental role in maintaining goodwill, tenancies and brand image enticing customers to visit, shop and be part of the Dolmen Mall experience. Maintenance and upkeep of DCR assets are ensured through the highest quality standards under close monitoring by the REIT Management Company. The Property Manager's strategic management ensured tenant retention maintaining highest occupancy levels.

Footfall Drivers

Customer centric marketing and branding activities at the Mall during the fiscal FY23 resulted in maintaining a healthy footfall. Independence Day, New Year celebrations, Dolmen Shopping Festival all significant occasion of the seasons were beautifully celebrated at the Dolmen City Mall.

Dolmen City Mall - Monthly Footfall - FY23



Average monthly footfall was 708,278 visitors compared with 585,085 visitors in FY22. DCR welcomed around 8.50 Million visitors during FY23 compared to 7.02 Million visitors in FY22.

Calendar of prominent activities in the Mall throughout the year:

Back to School:

'Back to School' is the known event of DOLMEN that kids await excitedly.

Every Brand placed interactive activities, games and different happenings related to kids & distributed giveaways throughout the event which turned out to be the fun & vibrant experience for the young customers at Dolmen Mall.

The event consisted of the following:

- Thematic Ambiance.
- Kids Centric Promotional Activations.
- Kids Activities & fun happenings.

Participants were:

- Candyland
- Hilal
- UHU – Faber Castle
- Bembel
- Liberty Books
- PediaSure

Independence Day:

14th August, Independence Day celebrations are one of the most eagerly anticipated events at Dolmen Mall. The purpose of the event is to celebrate patriotism creating a memorable journey for the customer via thematic decorations, setups, photo-ops & shopper rewards through giveaways.

We had the following setups around the Mall:

- Fountain Setup
- Registration Desk
- Instagram Setup
- D-Area
- Butler's Arch
- Fashion Boulevard Game Setup

Home meets style:

The event provides a platform to furniture, home décor and related brands to promote their product and offerings, also providing them a chance to interact with mall customers directly and take orders. This year the event was held from 14th to 18th September.

Beauty Festival:

The beauty festival brings the best brands from the beauty & personal care industry under one roof and give customers a chance to interact with experts from different brands, participate in activities and interact with celebrities & bloggers.

Dolmen Shopping Festival:

Dolmen Shopping Festival'27 was the biggest shopping extravaganza of the year not just for Dolmen Malls but for the entire mall industry in Pakistan. The 29th DSF embarked from 17th Dec 2022 and will end on 8th Jan 2023. The event comprises:

- Thematic Mall Ambiance
- Activations & Creative Installations
- Entertainment & Games
- External Communication & community engagement
- Lucky Draws & Exciting Gifts

The purpose of the event is to reward the shoppers with Mega lucky draw gifts, games and entertainment. All these efforts to create a memorable mall journey for customers with Dolmen Mall and encourage them to shop more.

Gift It!:

The event "GIFT IT" was held from the 10th to 14th of February to integrate the seasonal festivities with the internal Mall activities. The event is a perfect welcome to the new season bringing pleasure to everyone.

- Creating an engaging ambiance to enhance in Mall experience.
- Infuse the worldwide celebrations with traditional diversity for the local customer.
- To enhance customer experience through exhibitions.

Lawn Festival:

Dolmen Mall celebrated its annual Lawn Festival to highlight new lawn collections. The main purpose of the event was to:

- To give customer a chance to shop for their favorite lawn collections under one roof.
- To enhance customer experience through demonstrations.
- To promote the Lawn launches of our brand partners & attract customer footfall.

Women's Day:

The plan was to have diversified range of activities & programs which will be highlighting Women of our society, encourage them to make their careers, encourage them to step forward for their future, to promote their talents. Most of all emphasizing & realizing their importance in our society. The focus was:

- To provide brands a platform to target the women visiting the mall with women centric products, discounts and offers.
- To create celebrating ambiance through thematic décor.
- To celebrate international women's day to ignite the sense of empowerment among the women.

Ramadan:

Ramadan is a time for reflection and spiritual renewal, and what better way to celebrate this holy month than with a stunning display of lights at the mall. Our Ramadan campaign this year focuses on creating a magical, illuminated atmosphere throughout the mall, where shoppers can relax, unwind and enjoy the festive spirit with their loved ones.

Mother's Day:

Mother's Day was celebrated at the mall with the aim to pay tribute to mothers.

Eid Ul Adha:

Eid Ul Azha is one of the most auspicious religious festival across the country. The purpose of the campaign is to take the opportunity of high footfall days to enhance and improve customer experience through the thematical ambience and décor.

Distribution of Dividend

During the first nine months of the year the Board of Directors had declared and distributed interim dividend of PKR 1.31 / unit i.e. 13.10 %. At year end, the board declared and distributed a final dividend of PKR 0.50 / unit i.e. 5.00%. On a cumulative basis, DCR has declared and distributed total dividend of PKR 1.81 / unit providing annualized dividend yield equal to 18.10 % based on par value and 16.45% for IPO Investors at a strike price of PKR 11 per unit. The total pay-out for the year ended 30 Jun 2023 remained at 98.99 % of distributable income equivalent to PKR 4,024.90 million.

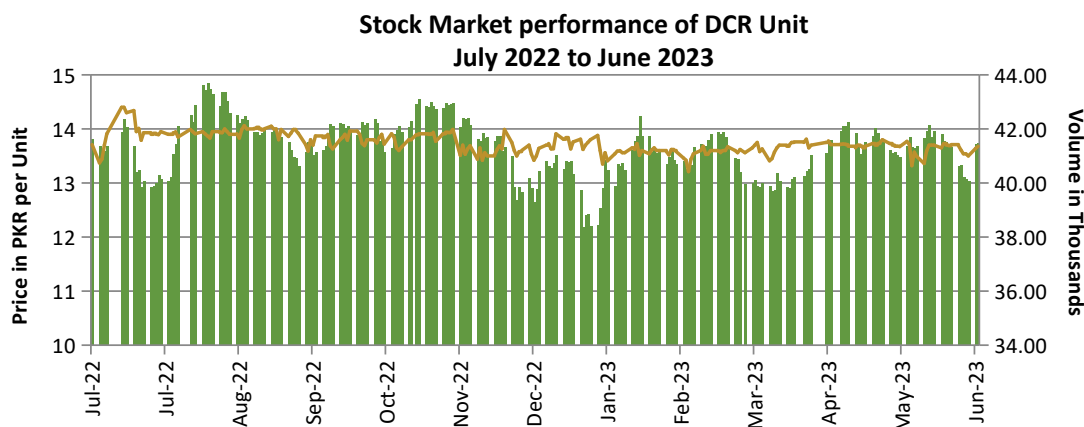
Shariah Compliance

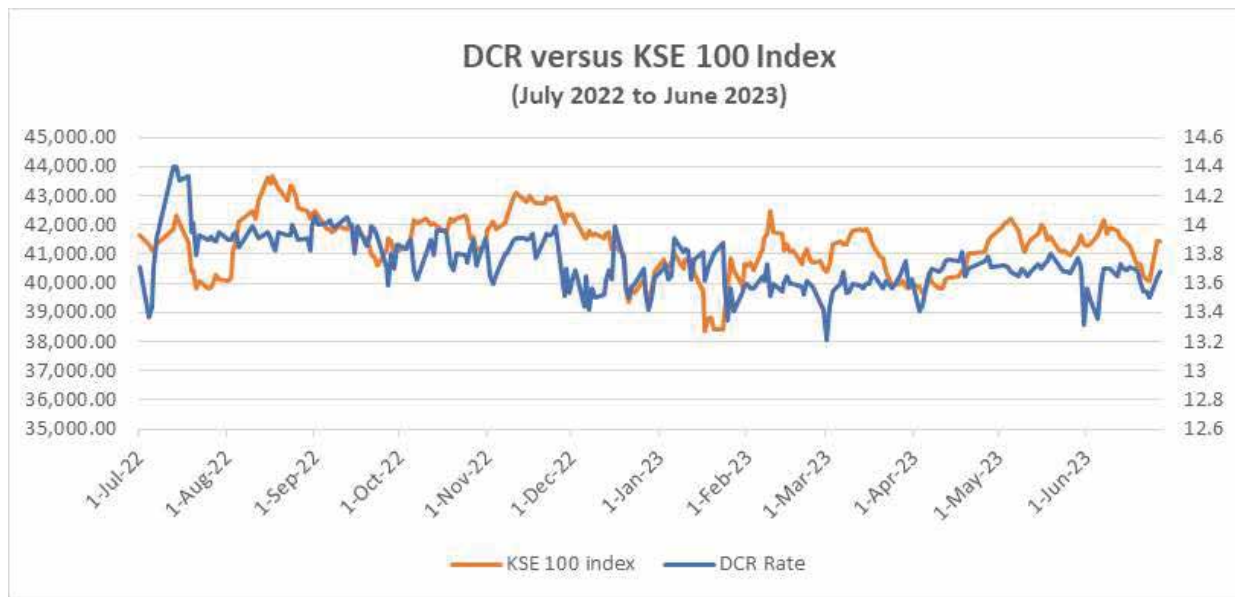
Complying with Shariah guidelines, the fund's real estate remained secure under Takaful policies by "A" rated Pakistani operators which have support from renowned international Re-Takaful syndicate. Shariah advisor, in his Annual Shariah Review Report, has confirmed compliance with Shariah principals in all aspects.

Stocks Performance

During the twelve months period under review, 'DCR' traded on the Pakistan Stock Exchange at an average unit price of PKR 13.74 (compared with last year's average PKR 12.79) touching a high of PKR 14.40 and a low of PKR 13.21 per unit. During the same period KSE100 index moved in the range from 38,342.21 to 43,676.56. In an extremely volatile market, the stock of DCR remained fairly stable with beta of 0.27 (which means for a given 100% change in market KSE-100 Index, DCR would change only 2.70 %, beta here represents low volatility and elasticity) and covariance with the market of 0.21 (which is a measure of the degree to which returns on two risky assets move in tandem, indicate low positive correlation of DCR stock performance with the market performance).

The Net Asset Value 'NAV' per Unit of DCR is PKR 31.25 at the year ended on June 30, 2023 (PKR 28.79 at June 30, 2022). DCR on its closing Unit price of PKR 13.68 on June 30, 2023 traded at a discount of 43.78 % to its NAV.





Business Environment

While Pakistan's economy contracted in FY23, import controls have resulted in strong product substitution through local industry along with a positive agricultural outlook as a result of higher production of important crops.

Marginal easing of import restrictions is expected to support recovery in the industrial sector, particularly large-scale manufacturing. Flow-on impacts from the strengthening agriculture and industrial sectors will support a revival in associated services sectors including wholesale and retail. (World Bank Country Overview Oct '23)

Easing inflation is expected with improved agricultural output and currency has seen a sharp recovery since the country's financial regulator and security agencies began taking action to curb black market operations. (Reuters)

As a result, we anticipate improvements in retail spending over the new few months.

Business Risk Summary

DCR's business is sensitive to sustaining occupancy levels. Principal risks comprise: i) significant future supply of office and retail developments which try to undercut the pricing in the neighbourhood. However, such developments would be bound to compromise on the facilities management in order to draw economies; whereas DCR has already set the industry benchmark in this space demonstrating its importance to the occupants. ii) Rising interest rate scenario can make the DCR yield competitive, however, in the longer run REIT units will continue to provide stable returns and consistent growth to investors as an inflation hedged instrument, iii) Default by existing tenants; the risk of which is considered to be low at Dolmen City since majority tenants of DCR are either multinationals or big franchises and DCR's Property Manager not only deploy stringent screening, profiling and tenancy sourcing policies but also monitors and maintains close liaison with every tenant.

Outlook

Dolmen City remains the premier, aspirational destination for both brands and office space occupants. With little to no new supply on the horizon particularly within the high-end office and retail space, we anticipate Dolmen City to retain its premier market positioning.

The addition of two new towers adjacent to the Dolmen City REIT properties and their high occupancy stands as a testament to the robust demand for quality space. The planned addition of an international hotel chain in one of the new towers will further amplify the desirability of the property as "the place to be" for brands and businesses. Amenity additions parcelled with the hotel development is expected to drive greater gravitation of office space occupants towards Dolmen City.

With the turbulent economic shakedown mostly behind us, we anticipate a period of rest followed by growth in terms of the overall business environment. Monthly footfall rates for the mall are showing a consistently higher monthly visitation compared to last year which will support the consistent buoyancy of mall occupancy.

Corporate Governance

DCR is listed at the Pakistan Stock Exchange. The Board of the RMC and management are committed to observe the Code of Corporate Governance and are cognizant of their responsibilities to monitor operations and performance, enhance accuracy, comprehensiveness and transparency of financial and non-financial information.

The Board would like to state that proper books of accounts of DCR have been maintained and appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates as stated in note 2.4 of the financial statements are based on reasonable and prudent judgment. International Financial Reporting Standards, as applicable in Pakistan, are followed in the preparation of the financial statements. The system of internal controls is sound in design and has been effectively implemented and monitored. The financial statements of DCR present fairly its state of affairs, the result of its operations, cash flows and the movement in NAV. No material payment has remained outstanding on account of any taxes, duties, levies or charges.

In compliance with the Code, the Board hereby reaffirms that there is no doubt about DCR's ability to continue as a going concern and that there has been no departure from the best practices of corporate governance.

It has always been DCR's endeavour to excel through better Corporate Governance and fair and transparent practices.

Trading in Scheme's Shares by Directors and Executives

A statement showing DCR's shares bought and sold by RMC's Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor family members is annexed as Annexure - I.

Directors' Attendance at Board and its Committee Meeting

During the year ended June 30, 2023, Eight (08) Board Meetings, Six (06) Audit Committee Meetings and one (01) Human Resource & Remuneration Committee Meeting were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

Sr. No.	Name of Director	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
1	Mr. Arif Habib	8	-	-
2	Mr. Nadeem Riaz	3	-	-
3	Mr. Naeem Ilyas	8	6	-
4	Ms. Tayyaba Rasheed	8	-	1
5	Mr. Muhammad Noman Akhter	8	6	-
6	Mr. Samad A. Habib	6	4	1
7	Mr. Faisal Nadeem	4	-	-
8	Mr. Sajid Ullah Sheikh	6	6	1
9	Mr. Muhammad Ejaz	7	-	1

Directors' Remuneration

The Non- Executive Directors (including independent directors) of RMC, excluding those directors who are concurrently serving as Executive Directors in any of the Arif Habib Group of Companies are provided a remuneration for attending Board and its Committee Meetings as may be approved by the Board from time to time.

The Chief Executive Officer is the only executive director on the Board. Further as and when the Board decides to assign any additional roles and responsibilities to any non-executive directors, the Board shall decide the remuneration to be provided to such director which is commensurate with the roles and responsibilities so assigned.

The Scheme is exclusively obligated to pay a management fee to RMC, and therefore, there is no impact on the fund's financial statements related to Directors' remuneration.

Composition of the Board

The current composition of the board is as follows:

Total Number of Directors:

- (a) Male: 8
- (b) Female: 1

Composition:

Name	Status
Mr. Arif Habib	Chairman
Mr. Nadeem Riaz	Non-Executive Director
Mr. Naeem Ilyas	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Muhammad Noman Akhter	Independent Director
Mr. Abdus Samad A. Habib	Non-Executive Director
Mr. Faisal Nadeem	Non-Executive Director
Mr. Sajid Ullah Sheikh	Non-Executive Director
Mr. Muhammad Ejaz	Chief Executive Officer

Committees of the Board:

Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Muhammad Noman Akhter	Member
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member

Human Resource & Remuneration Committee

Ms Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajidullah Sheikh	Member
Mr Muhammad Ejaz	Member

Pattern of Unitholding

The units of DCR are listed on Pakistan Stock Exchange. There were 4,854 unitholders of DCR as of 30 June 2023. The detailed pattern of unitholding and categories of unitholding of DCR including units held by Directors and Executives, if any, are provided as Annexure-II.

The pattern of Unit holding in DCR as at June 30, 2023 is detailed in Annexure 'II' to this report.

Categories of Unit holders	Unit Held	%
Directors and their spouse(s) and minor children	16,235,482	0.72
Associated Companies, undertakings, and related parties	1,706,081,152	76.72
NIT and ICP	-	-
Banks, DFIs , NBFCs	316,017,333	14.21
Insurance Companies	5,044,018	0.23
Modarabas and Mutual Funds	1,899,000	0.09
General Public		
a. Local	155,926,337	7.01
b. Foreign	3,461,272	0.16
Others	19,035,406	0.86
Total	2,223,700,000	100%

Financial and Business Highlights

The key operating and financial data have been given in summarized form under the caption “Financial & Business Highlights” along with and graphic representation as annexure to this report.

Audit Committee

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its Terms of Reference duly approved by the Board.

Auditors

The present external auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants, shall retire, and being eligible, have offered themselves for reappointment for the year ending on 30th June 2024. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee of RMC, the Board of RMC recommends reappointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of DCR for the financial year ending on 30th June 2024 at a fee to be mutually agreed.

Election of Directors

In accordance with the provisions of Section 161 of Companies Act 2017 (Section 180 of the repealed Companies Ordinance, 1984) the three years term of eight elected directors of RMC had been completed in October 2021 and all Directors were retired. Fresh elections of Directors were held on October 26, 2021 and the number of Directors as fixed by the Board (eight in numbers) were elected unopposed. Further, Chairman, Chief Executive and sub-committees of the board were also appointed on the said date.

Post Balance Sheet Events

There have been no material changes since 30th June 2023 to the date of this report except the declaration and distribution of a final Cash Dividend @ Rs. 0.50 / unit i.e. 5.00 %. This was in addition to interim dividends declared and distributed @ Rs. 1.31 / unit i.e. 13.10 %. The effect of such declaration shall be reflected in the next year's financial statements.

Related Party Transactions

In order to comply with the requirements of REIT Regulations and Code of Corporate Governance, DCR presented all related party transactions before the Audit Committee and Board of RMC for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in note 24 of the annexed audited financial statements.

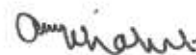
Acknowledgement

We are thankful to DCR's valued investors, the Securities and Exchange Commission of Pakistan, the management of Pakistan Stock Exchange, the Trustees of DCR, the Property Manager and 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



Arif Habib
Chairman

Karachi
October 27, 2023

ANNEXURE I

Statement showing units bought and sold by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their Spouses and Minor Children from July 1, 2022 to June 30, 2023.

Name of Director	Designation	Units Bought	Units Sold	Remarks
Mr. Arif Habib	Chairman	-	-	
Mr. Nadeem Riaz	Director	-	-	
Mr. Naeem Ilyas	Director	-	-	
Ms. Tayyaba Rasheed	Director	-	-	
Mr. Muhammad Noman Akhter	Director	-	-	
Mr. Abdus Samad A. Habib	Director	-	-	
Mr. Faisal Nadeem	Director	-	-	
Mr. Sajidullah Sheikh	Director	141,500	-	
Mr. Muhammad Ejaz	Chief Executive	-	-	
Mr. Razi Haider	CFO & Company Secretary	-	-	

ANNEXURE II

PATTERN OF UNIT HOLDING

Categories of Units as at June 30, 2023

Categories of Unit holders	No. of Unit holders	No. of Unit Held	Holding %
Directors, Chief Executive Officer and their spouse(s) and minor children	5	16,235,482	0.73
Executives	0	-	-
Associated Companies, undertakings and related parties	6	1,706,081,152	76.72
NIT and ICP	0	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	10	316,017,333	14.21
Insurance Companies	6	5,044,018	0.23
Modarabas and Mutual Funds	5	1,899,000	0.09
Others	48	19,035,406	0.86
General Public			
a. Local	4509	155,926,337	7.01
b. Foreign	265	3,461,272	0.16
Foreign Companies	0	-	-
Totals	4854	2,223,700,000	100.00

PATTERN OF UNIT HOLDING

As of June 30, 2023

Categories of Unit holders	No. of Unit holders	No. of Unit Held	Holding %
Directors, Chief Executive Officer and their spouse(s) and minor children			
NADEEM RIAZ	1	6,860,000	0.31
UZMA NADEEM	1	4,342,833	0.20
FAISAL NADEEM	2	4,207,649	0.19
SAJID ULLAH SHEIKH	1	825,000	0.04
Associated Companies, undertakings and related parties	6	1,706,081,152	76.72
NIT and ICP	0	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	10	316,017,333	14.21
Insurance Companies	6	5,044,018	0.23
Modarabas and Mutual Funds	5	1,899,000	0.09
General Public			
a. Local	4509	155,926,337	7.01
b. Foreign	265	3,461,272	0.16
Foreign Companies	0	-	-
Others	48	19,035,406	0.86
Totals	4854	2,223,700,000	100.00

Unit holders holding 10% or more	No. of Unit Held	Holding
DOLMEN (PRIVATE) LIMITED	833,887,500	37.50
AL-FEROZ (PRIVATE) LIMITED	833,887,500	37.50

PATTERN OF UNIT HOLDING

As of June 30, 2023`

No. of Unit holders	Unit Holding'Slab			No. of Unit Held
259	1	to	100	7,911
1,433	101	to	500	697,805
932	501	to	1,000	918,392
973	1,001	to	5,000	2,624,060
350	5,001	to	10,000	2,926,107
114	10,001	to	15,000	1,449,308
99	15,001	to	20,000	1,844,337
85	20,001	to	25,000	2,002,892
52	25,001	to	30,000	1,496,500
24	30,001	to	35,000	794,016
34	35,001	to	40,000	1,319,979
21	40,001	to	45,000	921,300
59	45,001	to	50,000	2,901,108
19	50,001	to	55,000	1,011,600
17	55,001	to	60,000	987,300
11	60,001	to	65,000	701,000
13	65,001	to	70,000	890,836
16	70,001	to	75,000	1,173,750
23	75,001	to	80,000	1,823,800
13	80,001	to	85,000	1,070,500
14	85,001	to	90,000	1,238,500
6	90,001	to	95,000	553,375
50	95,001	to	100,000	4,976,652
4	100,001	to	105,000	410,115
5	105,001	to	110,000	538,500
5	110,001	to	115,000	567,500
4	115,001	to	120,000	480,000
4	120,001	to	125,000	497,000
4	125,001	to	130,000	517,000
2	130,001	to	135,000	267,500
1	135,001	to	140,000	138,500
3	140,001	to	145,000	423,500
7	145,001	to	150,000	1,045,000
3	150,001	to	155,000	462,500
5	155,001	to	160,000	790,000
5	165,001	to	170,000	839,766
1	170,001	to	175,000	175,000
4	175,001	to	180,000	717,500
6	180,001	to	185,000	1,100,500
2	185,001	to	190,000	376,000
3	190,001	to	195,000	578,000
8	195,001	to	200,000	1,600,000
5	200,001	to	205,000	1,010,621
3	205,001	to	210,000	622,425
3	210,001	to	215,000	636,000
3	215,001	to	220,000	655,500
3	220,001	to	225,000	671,000
1	225,001	to	230,000	227,000
2	230,001	to	235,000	468,000
1	240,001	to	245,000	245,000

PATTERN OF UNIT HOLDING

As of June 30, 2023`

No. of Unit holders	Unit Holding'Slab			No. of Unit Held
1	250,001	to	255,000	253,000
4	255,001	to	260,000	1,036,000
2	260,001	to	265,000	527,000
3	270,001	to	275,000	824,500
1	275,001	to	280,000	280,000
1	280,001	to	285,000	284,000
1	285,001	to	290,000	287,000
1	290,001	to	295,000	295,000
7	295,001	to	300,000	2,095,500
3	300,001	to	305,000	909,500
2	315,001	to	320,000	636,000
1	325,001	to	330,000	329,500
1	335,001	to	340,000	337,000
4	340,001	to	345,000	1,367,500
1	345,001	to	350,000	346,000
1	350,001	to	355,000	353,500
1	355,001	to	360,000	357,000
1	360,001	to	365,000	365,000
1	365,001	to	370,000	367,000
1	370,001	to	375,000	375,000
4	395,001	to	400,000	1,600,000
1	400,001	to	405,000	401,000
1	405,001	to	410,000	409,165
1	410,001	to	415,000	410,500
1	415,001	to	420,000	420,000
2	420,001	to	425,000	843,500
1	430,001	to	435,000	434,700
2	435,001	to	440,000	876,000
1	440,001	to	445,000	444,500
1	445,001	to	450,000	450,000
1	480,001	to	485,000	484,450
6	495,001	to	500,000	3,000,000
1	505,001	to	510,000	505,500
1	520,001	to	525,000	525,000
1	530,001	to	535,000	534,700
2	545,001	to	550,000	1,100,000
1	555,001	to	560,000	556,500
2	565,001	to	570,000	1,136,500
1	600,001	to	605,000	604,000
1	645,001	to	650,000	649,500
1	655,001	to	660,000	660,000
1	695,001	to	700,000	700,000
1	715,001	to	720,000	717,000
1	720,001	to	725,000	722,000
1	755,001	to	760,000	760,000
1	790,001	to	795,000	794,000
1	800,001	to	805,000	805,000
1	820,001	to	825,000	825,000
1	840,001	to	845,000	842,500
1	895,001	to	900,000	897,000
1	900,001	to	905,000	903,500
1	985,001	to	990,000	986,149

PATTERN OF UNIT HOLDING

As of June 30, 2023`

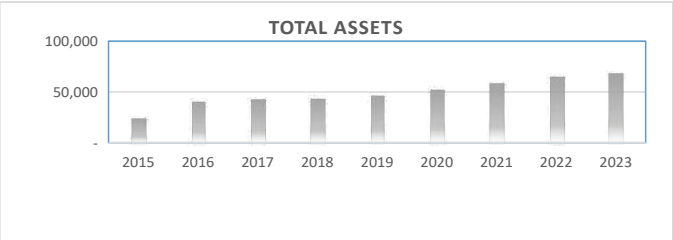
No. of Unit holders	Unit Holding'Slab			No. of Unit Held
5	995,001	to	1,000,000	5,000,000
1	1,005,001	to	1,010,000	1,010,000
2	1,025,001	to	1,030,000	2,057,000
1	1,045,001	to	1,050,000	1,050,000
1	1,070,001	to	1,075,000	1,075,000
1	1,085,001	to	1,090,000	1,087,500
1	1,180,001	to	1,185,000	1,181,500
1	1,195,001	to	1,200,000	1,200,000
1	1,255,001	to	1,260,000	1,255,500
1	1,445,001	to	1,450,000	1,450,000
1	1,495,001	to	1,500,000	1,495,500
1	1,500,001	to	1,505,000	1,505,000
2	1,555,001	to	1,560,000	3,114,333
1	1,615,001	to	1,620,000	1,620,000
1	1,630,001	to	1,635,000	1,630,500
1	1,780,001	to	1,785,000	1,781,333
1	1,815,001	to	1,820,000	1,820,000
1	1,900,001	to	1,905,000	1,900,500
3	1,995,001	to	2,000,000	6,000,000
1	2,080,001	to	2,085,000	2,083,000
1	2,205,001	to	2,210,000	2,206,000
1	2,410,001	to	2,415,000	2,411,500
1	2,590,001	to	2,595,000	2,591,318
1	2,805,001	to	2,810,000	2,806,500
1	3,025,001	to	3,030,000	3,025,500
1	3,060,001	to	3,065,000	3,062,018
1	3,195,001	to	3,200,000	3,200,000
1	3,205,001	to	3,210,000	3,207,649
1	3,325,001	to	3,330,000	3,330,000
1	3,855,001	to	3,860,000	3,858,227
1	4,025,001	to	4,030,000	4,026,000
1	4,340,001	to	4,345,000	4,342,833
1	4,625,001	to	4,630,000	4,626,500
1	4,730,001	to	4,735,000	4,734,400
1	4,995,001	to	5,000,000	5,000,000
1	6,855,001	to	6,860,000	6,860,000
1	8,495,001	to	8,500,000	8,500,000
1	8,995,001	to	9,000,000	9,000,000
1	17,910,001	to	17,915,000	17,912,437
1	27,495,001	to	27,500,000	27,500,000
1	31,195,001	to	31,200,000	31,198,000
1	31,250,001	to	31,255,000	31,253,500
1	37,335,001	to	37,340,000	37,337,500
1	47,110,001	to	47,115,000	47,112,000
1	72,240,001	to	72,245,000	72,243,333
1	87,745,001	to	87,750,000	87,750,000
2	833,885,001	to	833,890,000	1,667,775,000
4854				2,223,700,000

FINANCIAL HIGHLIGHTS

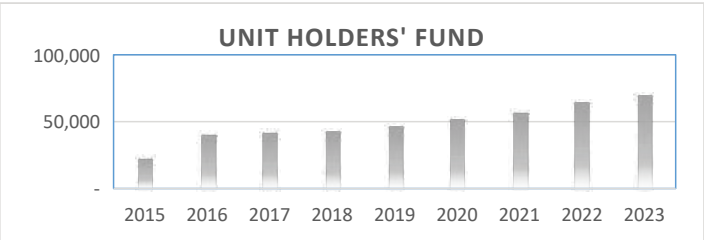
Financial Highlights	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15 (Based on one month operations)
Profitability									
Net Profit Margin (Annualized Return for FY 15)	86.94%	86.39%	86.33%	86.63%	85.45%	85.13%	85.79%	87.04%	90.69%
Return on total assets	13.22%	15.06%	14.82%	15.60%	14.61%	11.76%	8.93%	43.40%	8.78%
Return on Unitholders' fund	13.37%	15.25%	14.99%	15.83%	14.86%	11.97%	9.07%	44.07%	8.99%
Liquidity									
Current ratio (in times)	2.81	2.53	4.22	2.96	3.51	3.41	7.56	9.86	4.74
Cash to current liabilities	2.36	2.04	3.32	2.03	2.75	2.68	6.76	6.50	4.41
Market Ratios									
Dividend payout ratio	98.99%	101.82%	102.53%	104.54%	96.74%	96.12%	98.13%	100.00%	100.00%
Dividend Yield (at par @ Rs.10 per unit)	18.10%	15.00%	12.40%	12.50%	13.20%	12.00%	11.50%	10.40%	0.76%
Dividend Yield (as IPO strike @ Rs.11 per unit)	16.45%	13.64%	11.27%	11.36%	12.00%	10.91%	10.45%	9.45%	0.69%
P/E Ratio (in times)	3.27	3.08	2.85	2.98	3.29	5.67	6.95	1.36	144.69
Valuation									
Earning per unit - Basic and diluted (PKR)	4.18	4.39	3.87	3.65	3.09	2.27	1.70	7.98	0.08
Net asset value per unit (PKR)	31.25	28.79	25.82	23.06	20.79	18.99	18.77	18.11	10.20
No. of ordinary units	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000
Trends (PKR '000)									
Management fee	119,376	98,365	79,931	77,054	90,415	83,194	77,459	69,575	5,300
Trustee fee	19,896	16,394	13,322	12,842	15,069	13,866	12,910	11,596	907
Net Operating Income	3,979,188	3,278,830	2,664,370	2,568,467	3,013,838	2,772,936	2,581,957	2,319,176	181,325
Profit before and after taxation	9,291,819	9,762,893	8,609,987	8,117,883	6,869,588	5,055,268	3,787,120	17,742,638	169,977
Unit Capital	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000
Unitholders' fund	69,496,347	64,029,292	57,424,053	51,282,373	46,233,196	42,232,181	41,735,498	40,261,026	22,688,323
Total assets	70,295,216	64,819,385	58,084,224	52,034,420	47,022,210	42,998,020	42,399,852	40,885,917	23,218,502

FINANCIAL HIGHLIGHTS

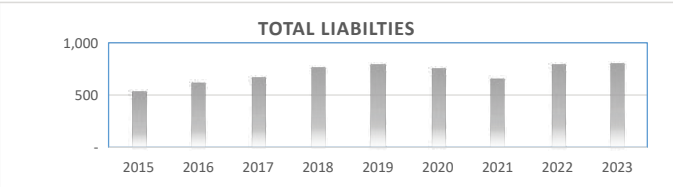
Total Assets



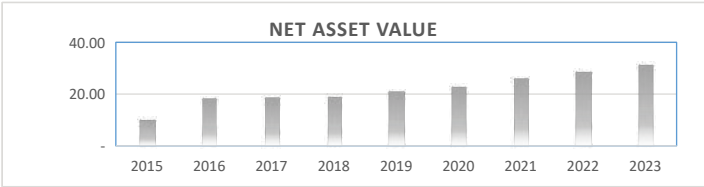
Unitholder's Fund



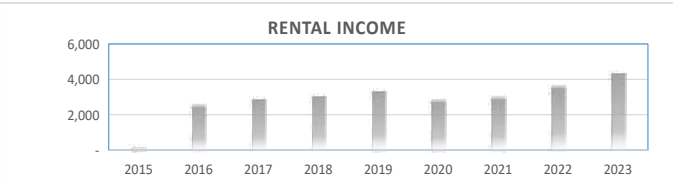
Total Liabilities



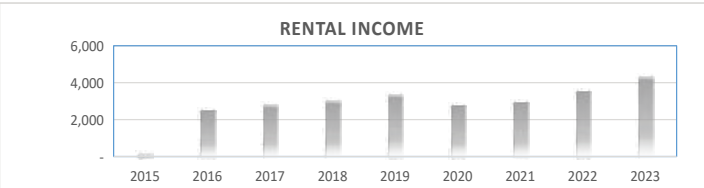
NAV



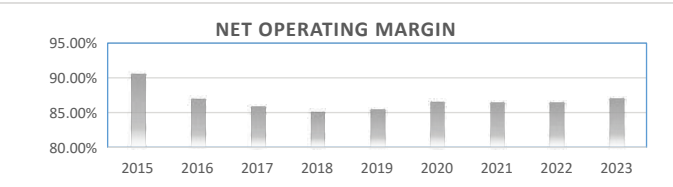
Rental Income



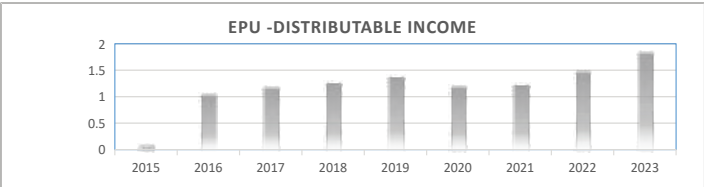
Net Operating Income



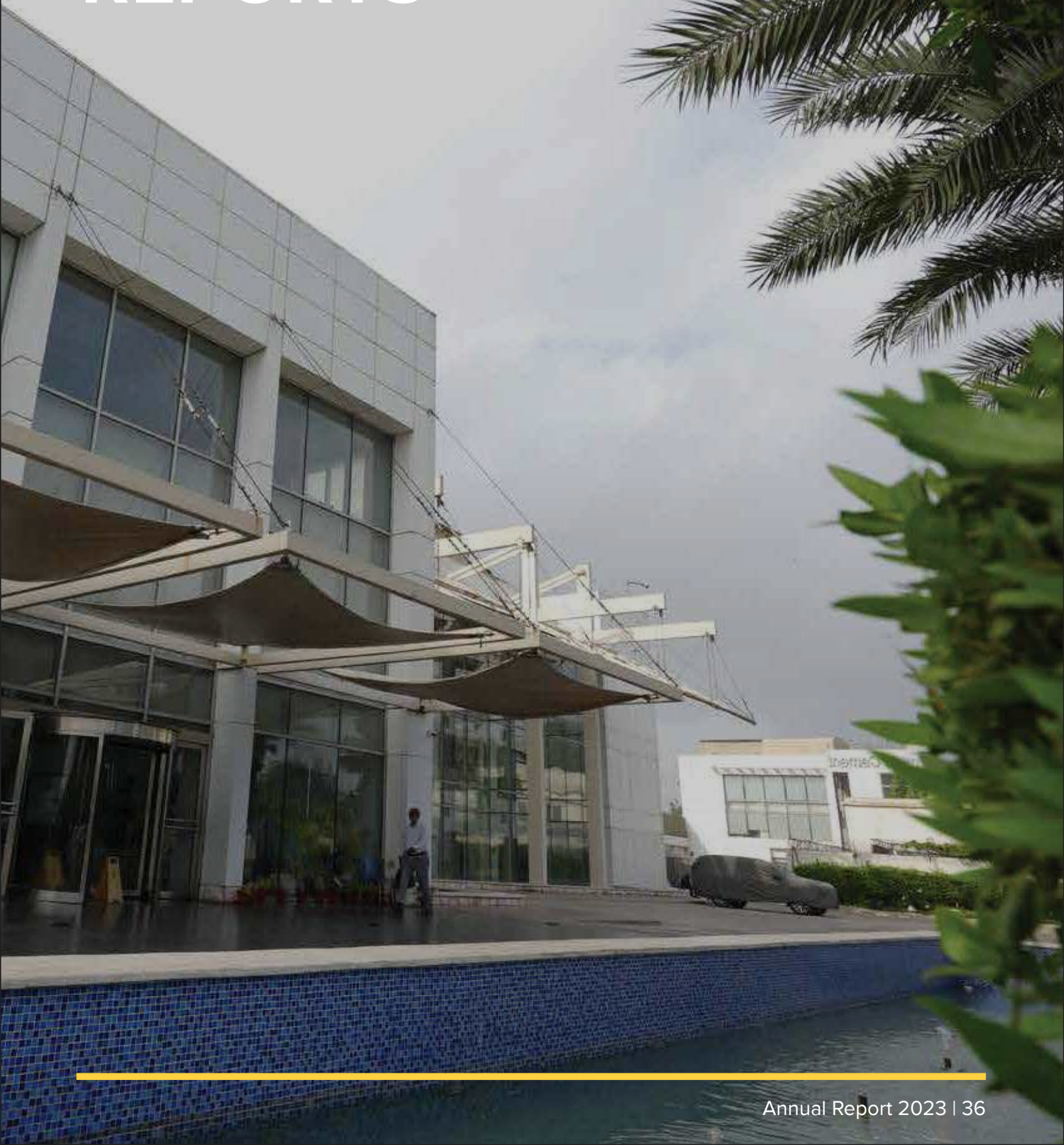
Net Operating Margin



EPS - Distributable Income



STATUTORY REPORTS





ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shariah Review Report

For the year ended June 2023

Dolmen City REIT, a Shariah Compliant Real Estate Investment Trust (REIT), was launched in June 2015. This REIT is structured on the principles of Shirkah and Ijarah, which represent the foundations of its design. Under this structure, all unit holders collectively share ownership of the project, encompassing both The Harbor Front and Dolmen Mall Clifton. The distribution of dividends to unit holders is derived from the rental income generated. Both Shirkah and Ijarah adhere to the principles of Shariah, ensuring compliance with Islamic finance principles.

In our role as the Shariah Advisor, we have conducted a comprehensive review of the transactions executed throughout the year. It is my pleasure to confirm that all investment activities and matters pertaining to rentals adhere to Shariah principles.

Based on our assessment, we are pleased to state that the business operations of Dolmen City REIT have been consistently conducted in alignment with the rules and regulations of Shariah. Consequently, we can affirm that the income generated for the unit holders within this REIT is both HALAL and SHARIAH COMPLIANT.

We extend our gratitude to the Directors, Management of Arif Habib Dolmen REIT Management Company, the trustee, property manager, and all other stakeholders for their unwavering support and cooperation in ensuring the adherence to Shariah principles and our special thanks to all unit holders who invested in this REIT and showed full trust in this project.

May Allah bestow abundant rewards upon the management of the REIT for their dedicated services, and may He bless their endeavors with continued prosperity and sincerity. Ameen.

Mufti Muhammad Ibrahim Essa

C.E.O. & Director

Alhamd Shariah Advisory Services (Pvt.) Limited
26th October 2023

Mufti Ubaid ur Rahman Zubairi

Director

Alhamd Shariah Advisory Services (Pvt.) Limited



Address: Flat 503, 8th Floor Ibrahim Residency, C.P & Berar Society, Karachi.



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ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

شریعی ریویلو رپورٹ

برائے جون ۲۰۲۳

ڈولمین سٹی REIT ایک شریعی کمپلائنٹ REIT ہے، جو جون 2015 میں شروع ہوئی۔ ڈولمین REIT کی بنیاد شرکت اور اجارہ پر ہے، جس کے مطابق، تمام یونٹ ہولڈرز، پراجیکٹ (ہاربر فرنٹ اور ڈولمین مال، کلغٹن) کے شرکاء ہیں اور حاصل ہونے والا کرایہ ان شرکاء کے درمیان تقسیم کیا جاتا ہے۔ شرکت اور اجارہ دونوں عقود شریعت کے مطابق ہیں۔ ہم نے ڈولمین سٹی REIT کے معاملات کا شرعی نقطہ نگاہ سے جائزہ لیا، REIT کی آمدنی کا بنیادی ذریعہ کرایہ ہے، جو مختلف کرایہ داروں سے حاصل ہوتا ہے۔

ہماری رائے میں، ڈولمین سٹی REIT کے کاروباری معاملات مجموعی طور پر شرعی قواعد و ضوابط کے مطابق انجام دیے گئے ہیں، لہذا ہم اس بات کی تصدیق کرتے ہیں کہ اس REIT کی آمدنی حلال اور شریعت کے مطابق ہے۔ ہم ان تمام معاملات کو شریعت کے مطابق رکھنے میں، عارف حبیب ڈولمین REIT مینجمنٹ کمپنی، ٹرسٹی، پراپرٹی مینیجر اور دیگر تمام حصہ داروں کی حمایت اور تعاون کا شکریہ ادا کرتے ہیں، ساتھ ہی ساتھ ان یونٹ ہولڈرز کے بھی شکر گزار ہیں جنہوں نے اس REIT پر اعتماد کیا اور اس میں سرمایہ کاری کی ہے۔

آخر میں ہم ڈولمین سٹی REIT کی مزید ترقی اور خوشحالی کے لئے اپنی نیک خواہشات کا اظہار کرتے ہیں۔

الحمد

مفتی عبید الرحمن زبیری

ڈائریکٹر

الحمد شریعی ایڈوائزری سروسز (پرائیوٹ) لمیٹڈ

محمد ابراہیم عیسیٰ

مفتی محمد ابراہیم عیسیٰ

سی، ای، او، - ڈائریکٹر

الحمد شریعی ایڈوائزری سروسز (پرائیوٹ) لمیٹڈ

۲۶ اکتوبر ۲۰۲۳



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VALUATION REPORT

OF

COMMERCIAL PROPERTY

DOLMEN CITY MALL AND HARBOUR FRONT

ADDRESS: HC-3, Clifton Block No: 4, Karachi

ON ACCOUNT OF

DOLMEN CITY REIT



(Perpetual, Rated, Listed, Closed-end, Shariah, Complaint, Rental REIT)

FOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

Head Office: Arif Habib Centre, 23-M.T. Khan Road, Karachi

BY

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

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**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT
"COVERING PAGE OF EVALUATION REPORT"**

MYK Reference No: KHI/17000/07/2023
Date of Valuation Report: August 07, 2023
Date of Survey & Valuation: July 31, 2023
Type of Valuation: Full Scope [√]
Applicant Name: DOLMEN CITY REIT
Location of Property: Under Evaluation Commercial Property "Dolmen City Mall and Harbour Front" constructed on HC-3, Clifton Block No: 4, Karachi.

Valuation Details

Type of Asset	Fair Market Value (FMV) (PKR)	Disposition Value (DV) / Orderly Liquidation Value (OLV)	
		Discount Factor (%)	
		DV	OLV
Cost Approach Value	43,597,876,000.00		
Sales Comparison Value	82,392,388,000.00	20	65,913,910,400.00
Income Capitalization Approach			
i) Property Value based on MYK estimated Income Capitalization Value	66,751,152,560.00		
ii) Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value	68,046,859,342.59		

*As per documents / information collected from local search.
 Any Disqualification / Observation: No [√] Yes []
 Others Details: None

FMV: The value at which a property would be sold in one year period, considering both seller and buyer are willing but not compelled to buy or sell.

DV: Applicable for land & building and is the Fair Market Value (FMV) less disposition costs as appropriate to the market for sale within 180 days.

OLV: Applicable for Equipment and is the value expected from collateral, with a willing buyer and seller, based on an appropriate marketing period, not to exceed 90 days, less selling costs, if they are expected to be in excess of 2%.



MYK ASSOCIATES PRIVATE LIMITED

| Evaluations | Consulting Engineers | Collateral Management |
| Feasibility Analysis | Inspections | Clearing Forwarding & Logistics Agents |



AFFILIATED PARTNER

Windmills

Producing Opportunities
Real Estate Valuation Services
LLC, U.A.E.

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

MYK Reference No: KHI/17000/07/2023

Date of Valuation Report: August 07, 2023

Date of Request Received: July 18, 2023

Requested By: REIT Management Company
(M/s Arif Habib Dolmen REIT Management Limited)

Client Name: DOLMEN CITY REIT

Address of Property: Under Evaluation Commercial Property, "Dolmen City Mall & Harbour Front" constructed on Plot No: HC-3, situated at Clifton Block No: 4, Karachi.

Date of Visit: July 31, 2023

Appraised By: Team of MYK Associates Private Limited

Identified By: Team of Arif Habib Dolmen REIT Management Limited.

Type of Property: Shopping Mall & Multistory Office Building

Property Utilization: Fully Commercial ☒ Vacant ☐ Fully Industrial ☐

Type of Title: Commercial (As per Documents)

Surroundings: Residential Cum Commercial ☒ Fully Residential ☐
Fully Industrial ☐ Fully Commercial ☐
Commercial cum Residential ☐

Occupancy Status: Owner ☐ Tenant ☒ Vacant ☐

Cost Approach Value: PKR. 43,597,876,000.00

Sales Comparison Value: PKR. 82,392,388,000.00

Property Value based on MYK estimated Income Capitalization Value: PKR. 66,751,152,560.00

Property Value based on DCR revenue Income Capitalization Value: PKR. 68,046,859,342.59

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

VALUATION INITIATIVE:

In accordance with the provision of REIT Regulations-2022, M/s Arif Habib Dolmen REIT Management Limited (the company) appointed MYK Associates Pvt Ltd as a "PBA no limit valuer" to provide its services for valuation of Dolmen City REIT Property, Dolmen City Mall and Harbour Front constructed on the Commercial Plot of Land Bearing No: HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton.

A team from M/s. MYK Associates Private Limited (comprising of the following officials) visited Dolmen City Mall and the Harbour Front for survey and inspection to complete the assignment within the stipulated time.

- **Engr. Iftekhhar Ahmad**
- **Syed Shabab Raza**
- **Engr. Muhammad Tauqir**
- **Engr. Kiran Ashraf**

From time to time, meetings with the officials of Arif Habib Dolmen REIT Management Limited were carried out to gather the details and information regarding these properties. Thereafter, extensive and detailed survey of Dolmen City Mall and the Harbour Front Office Building with reference to documents and information provided by the representative(s) of Arif Habib Dolmen REIT Management Limited were conducted.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

**MYK Associates Private Limited
(ISO 9001-2015 Accredited)
(Quality Solutions Provider to the Financial Sector)**

MYK Associates Private Limited is an ISO-9001-2015 accredited real estate valuator of Pakistan. We ensure the valuation of international standards to the satisfaction of the client and as well as the concerned departments. Upon achieving the accreditation, we are adhering to maintain the customer requirements, establish the client's trust, and to enable the participation in continual improvement.

MYK has been founded by M. Younas Khan FCA (England & Wales), Ex Country General Manager, Deutsche Bank AG in Pakistan. It was incorporated in September 2000 and is registered under the Pakistan Companies Ordinance 1984. As a professional Survey and Evaluation company, MYK Associates (Pvt.) Limited has over 14 years of experience in conducting evaluation, inspection, and, muceddam management assignments. It provides services to the Financial and Private Sector in Pakistan and is on the approved panel of the Pakistan Banks Association. As a nationwide company, our services comprise of Valuations of Fixed and Current Assets, Inspections of Hypothecated and Pledged Stock and Collateral value (Muceddamage) etc. We are also on the approved panel of NBF and Modarba Association of Pakistan. Our some of the prestigious projects that valuation carried out by MYK Associates (Pvt) Limited:

- i. M/s. CDC House, Shahrah-e-Faisal, Karachi
- ii. Dolmen City Mall & Harbor Front – Clifton Karachi
- iii. M/s. NJI Building, I.I Chundrigar Road, Karachi
- iv. M/s. TPL Trakker Building, Korangi Road, Karachi
- v. M/s. Stock Exchange Building, I.I Chundrigar Road, Karachi
- vi. M/s. The Centre Building opposite Zainab Market and many more.

Over the years, our valuation assignments cover a wide spectrum in consumer retail, industrial, commercial, agricultural, and corporate portfolios that encompass land, building, plant & machinery, commercial buildings, hospitals, residential properties as well as open Lands both in rural and urban areas. We currently conduct inspections for all the corporate and commercial clients for different banks. Our muceddam department expertly manages different portfolios including seasonal crops, which include wheat, rice, cotton, as well as ship breaking, molasses, ethanol, sugar, edible oil, and canola.

MYKs' Mission is to provide strategic counsel, creative solutions, and responsive services in a timely manner to the Financial Sector. MYKs' vision is to be recognized as a leader in providing seamless services through superior quality and commitment as well as achieving operational excellence, industry-leading clientele satisfaction through superior performance.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

**MYK Associates Private Limited
(ISO 9001-2015 Accredited)
(Quality Solutions Provider to the Financial Sector)**

TEAM OF MYK ASSOCIATES (PVT) LIMITED

Engr. Iftekhhar Ahmed

He holds the position of **Senior General Manager** at MYK Associates Private Limited. By profession he has graduated (B.E.) from NED University of Engineering and Technology, Karachi and is a registered Professional Engineer of PEC (Pakistan Engineering Council) and has vast experience of national and international organizations. He also achieved legal qualification LL.B., LL.M. and having expertise of Agreement and Contracts writing as well as to lead the legal team to litigate on technical matters. He has acquired training from ABB at Dubai, UAE in "Power Control Management" and "Assets handling procedures".

His other associations and affiliations are as following:

- Professional Engineer (PEC).
- Member IEEE (USA).
- Member IEP Karachi Pakistan.
- Member IEEE (Pak)

Mr. Sharjeel Siddiqui-Manager Technical Valuations

He holds the position of **Manager Technical Valuations** at MYK Associates Private limited. He has vast experience in the technical matters of Valuations and Surveys.

Mr. Shabab Raza-Manager Evaluations

He holds position of **Manager Valuations** at MYK Associates Private limited. He has more than 17 years of vast experience in the field of property Valuations and Surveys; Mr. Shabab is amongst the top experts of Karachi in this particular field.

Engr. Muhammad Tauqir- Senior Surveying Engineer:

He is working as a Senior Surveying Engineer at MYK Associates Private limited, Karachi for the Last five years. He had conducted REIT valuation of "Dolmen Mall and Harbor Front" for Arif Habib Dolmen REIT Management Limited for three years biannual valuation reports as per REIT Regulations. He has also conducted the valuations and prepared the valuations report of many industries, high-rise buildings, and, projects. He having strong a grip in the field of property evaluation and project cost Estimation. By profession he holds a Bachelor's Degree in Urban & Infrastructure Engineering from NED University of Engineering and Technology, Karachi and is a registered Engineer of PEC (Pakistan Engineering Council).

Engr. Kiran Ashraf - Evaluation Engineer:

She is currently working as an Evaluation Engineer at MYK Associates Private limited, Karachi. She holds a Bachelor's Degree in Civil Engineering from NED University of Engineering and Technology, Karachi.

INTRODUCTION

Vide reference to REIT Regulation – 2022, Arif Habib Dolmen REIT Management Limited in its capacity of REIT Management Company had appointed MYK Associates (Pvt) Limited to evaluate the Dolmen City REIT constructed on amalgamated plot No: HC-3, Block-4, Scheme-5, Clifton, Karachi, which comprises of the following:

1. Dolmen City Mall.
2. The Harbour Front Office Building.

In accordance with REIT Regulations-2022, REIT Management Company appointed "PBA no limit valuer" to provide its services in this respect for the period of three years to evaluate the properties through its qualified engineers who are registered with Pakistan Engineering Council for the purpose of conducting valuation bi-annually and issuance of declaration by the competent engineer on the given format duly witnessed by the CEO of the valuer company in this respect.

As per REIT Regulations, the valuer shall be on the list of approved valuer of Panel-I or Panel-II within unlimited valuation category maintained by the Pakistan Banking Association; ensure that the valuation methodology adopted are in line with best practices prevalent in the real estate industry and ensure the valuation carried objectively and independently of its business or commercial relationship. The approaches of the valuation in case of Rental REIT scheme shall be determined using all of the following three approaches:

1. Cost Approach
2. Sales Comparison Approach
3. Income Capitalization approach.

INTRODUCTION TO THE PROJECT

Arif Habib Dolmen REIT Management Limited (being a REIT management company) launched and listed Pakistan's first Real Estate Investment Trust (REIT) – Dolmen City REIT 'DCR' in June 2015. DCR is perpetual Rated, Closed-end, Shariah Compliant, Rental REIT Scheme which is listed on the Pakistan Stock Exchange, its real estate comprises of two components of the Dolmen City-Project, is situated on the Arabian Sea front at Clifton, Karachi - and is one of the largest and most prestigious mixed-use developments in Pakistan. It is built to serve commercial and corporate clients in an ultra-modern business environment.

The Two components are:

DOLMEN CITY MALL:

The Dolmen Mall having a built-up area of approximately one million square feet boasts shopping and entertainment facilities as well as a food court.

THE HARBOUR FRONT:

Pakistan's premier corporate address, "The Harbour Front" is located on the scenic coastline of Karachi, soaring 19-levels above the Arabian Sea. This modern triangular tower is home to the leading local and multi-national corporations.

With an area of over 270,270.67 square feet of office space spread over 17 levels, The Harbour Front provides spacious and inspirational environment to conduct their everyday business.

The current tenant portfolio of "The Harbour Front" boasts of leading corporations such as Byco, Engro Corporation, Phillip Morris, and Procter & Gamble.

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

ADDITIONAL INFORMATION:

The Dolmen City Mall and Harbour Front constructed on amalgamated HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi measuring total area of 37,666.65 Square Yards and REIT shared area 15,201.68 square yards in an irregular shape. This structural foundation of this complex was designed with keeping in consideration seismic affects / loads (earthquakes) as per the highest international standards [i. e. complying with "seismic zone 2B" (moderate)].

The Dolmen City Mall is approachable from all prominent roads including Clifton road. The traffic flow during work hours (6-days a week) of this location is heavy; however, rest of the time it is smooth. Clifton Road is an important road and has become a financial and commercial hub of Karachi. Several major and prominent buildings, offices and malls are located on it.

This area is highly valuable, commercialized and rapidly developing day by day. Infrastructure features such as roads, transportation, public amenities and daily work force are easily available in the vicinity of Clifton Area of Karachi. Essential utilities services such as water, drainage, electricity and telephone services are also available within the neighborhood areas of the Dolmen City Mall and Harbour Front.

The Dolmen City Mall and Harbour Front beautifies the skyline of Karachi and represents an engineering state of the art landmark structure with a Lower and Upper Basement, Ground, Mezzanine and Two Upper Floors. The vertically skywards triangular complex Harbour Front (Offices) comprises of three to nineteen floors. This complex serves corporate clients with an ultra-modern and futuristic office space. The triangular floor plates provide all tenants with panoramic views of the Arabian Sea and the central core allows for enhanced floor security. A meticulously designed elegant lobby further adds to the grandeur of the complex.

The valuation visit of the "Dolmen City Mall and Harbour Front" was conducted on 20th December, 2019, by a team of Engineers (Engr. Muhammad Touqir, Engr. Kiran Ashraf and Muhammed Waqas) representing M/s. MYK Associates Private Limited along with the team of Dolmen City Mall and Harbour Front. The all required documents, design and drawings of the buildings were already provided and discussed. Whereas, in preparation of this valuation report, a review of fresh documents / points were also carried out during the survey.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

All the floors are well maintained with high standard facilities. It is centrally air-conditioned with concealed air ducts and large chiller plants placed on the roof. The flooring throughout the building complex is granite tile, porcelain tile and wood. The stairs are slip proof and there are fast and efficient elevators servicing all floors. A well-designed and maintained Mosque and well-managed executive cafeteria are also present in the building.

The Dolmen City Mall and Harbour Front are covered by perimeter walls around all sides with many entrances gates. The designated car parking space is provided in the lower and upper basement for sufficient vehicles with an Occupied / Vacant Car Parking Indication System. These complexes are designed with very good and high quality soundproofing insulation. Furthermore, a high-quality firefighting system is also installed in the building to face an emergency of any such conditions to incur minimum loss.

Electrical and Mechanical heavy equipment like generators, HVAC and other allied accessories are installed at properly designed places along with a modern control room to operate, control and monitor these facilities. Plumbing lines and water supplies lines are laid with high quality pipes in this project.

The structural planning and design of the complex was designed to utilize and accommodate all management requirements to its maximum. For safety and security, a multi-tiered physical, human and electronic security system is placed at all entry points / entrance and inside the premises. Activities around the complex (inside /outside premises) are well monitored through a state-of-the-art centralized close circuit TVs (CCTVs) system.

The Mall is centrally air-conditioning with modern lighting arrangement and in case of K-Electric supply failure, standby power generation of adequate capacity is also available to avoid any interruption in commercial activity of the complex.

We have utilized maximum resources and efforts to include all reliable, authentic and valuable technical information along with our appropriate calculations to conclude the report. We have also included all informations (in terms of documentations and verbal) provided by the management of Arif Habib Dolmen REIT Management Limited.

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

"EXTERIOR AND INTERIOR"

Approved Regularization / Completion Building Plan Available: **Yes ☒** No ☐
 Regularization / Completion Building Plan Number: **11-09-2014**

Approach: **Main Road ☒** Side Road ☐ Inside Road ☐

Total Area: **37,666.65 Square Yards**
 REIT Shared Area: **15,201.68 Sq. Yds. (As per Documents)**

Dimension:
 (As Per Plan) **Front : Irregular**
Depth : Irregular

Bounded by:
 (As per Indenture of Lease) **North : 50 Feet wide Road**
South : 30 Feet Wide Walkway
East : 50 Feet wide Road
West : Public Parking

Type of Construction: **R.C.C Frame Structure**

Type of Gate(s): **Iron & Aluminum with Glass**

Elevation of Property as per Plan: **Good**

Condition of Property: **Excellent**

Internal Boundary Walls Plaster and Paint: **Plastered**

Parking Area Available: **Yes (Basements)**

Open Yard Flooring: **Cemented Bricks**

Number of Stories: **Basements, Mezzanine, Ground plus Nineteen Upper Floors**

Property Age as per Physical Observation: **Approx. 10 Years Old**

Property Age as per Building Plan: **September, 2014**

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

I: COST APPROACH:

The "Cost Approach" is a real estate valuation method in which a buyer should pay for a property that should equal the cost to build an equivalent building. In cost approach appraisal, the market price for the property is equal to the cost of land plus cost of construction and services therein such as: Generator, Power plant, Chiller Plant and other services for multistory building.



II: SALE COMPARISON APPROACH:

The Sales Comparison Approach is to comparing recently-sold properties (local similar) with the other similar property. Price adjustments are made for differences in the comparable factors of the property. In fact, the "Sales Comparison Approach" is the basic foundation knowledge for the real estate professionals.

III: INCOME CAPITALIZATION APPROACH:

The income approach is a real estate appraisal method that allows investors to estimate the value of a property by taking the net operating income of the rent collected and dividing it by the capitalization rate. This usually appears in percentage.

A method that appraising real estate income and then converts this income into an estimate of its value. Appraisers generally use this method for commercial buildings such as shopping centers, office buildings and large apartment buildings.

The basic formula for this approach commonly referred as (IRV):

Net operating income (I) ÷ capitalization rate (R) = value (V)

It is the breakup of formula in following are the three steps to arrive at the value according to formula:

1. **Estimating the net operating income.**
2. **Determining the capitalization rate.**
3. **Applying the IRV formula to arrive at a value estimate.**



VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

PROS AND CONS OF THESE APPROACHES TO DETERMINE TRUE VALUE:

In fact, these approaches are best to evaluate a comparable deal that give an idea of what market are paying or have paid for similar assets. This will prevent a buyer from underbidding or overpaying and similarly a seller is not selling at low value or expecting very high. Supports to Measure Company's true worth of what a company is really worthy and growing. For this, constant monitoring of market and evaluation from experts or valuers is essential.

Similarly following approaches also assist the management to evaluate the growth of rental income.

A. Cost Approach:

This approach provides basis for determining replacement value of the asset or property or any other fixed item or utility service in the premise. Indeed, for consideration in such approach the final shape of the project should have similarity along with similar utilities / facilities in construction. However, it does not take into account the loss of income during construction up till the completion of project achieving desired occupancy. Then we can emerge true picture of Cost Approach.

B. Sales Comparison Approach:

This approach commonly used in the real estate comparison or appraisals for similar type of property. True Sale Comparison Approach emerged when there is any such process of sale/purchase in near past. But here in this case no similar building in the vicinity so therefore, at present, deal or transaction of similar size project or property in Karachi for comparison with Dolmen City project. This approach is generally suitable where the business is buying and selling of property.

C. Income Capitalization Approach:

This approach allows investors to estimate the value of a property based on the net operating income (generated by the real estate) using a capitalization rate. This is most common used approach to determine the value of income generating real estate and it can be regarded as the most appropriate valuation basis for income generating real estate as compared to two other approaches as the said approach is based upon principle that reflects the value of property based on the income generated from it and in case of income generating real estate business the main purpose of the real estate is to accrue the benefit of the income generated through it to the investors over the long period of time.

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

PART I: COST APPROACH

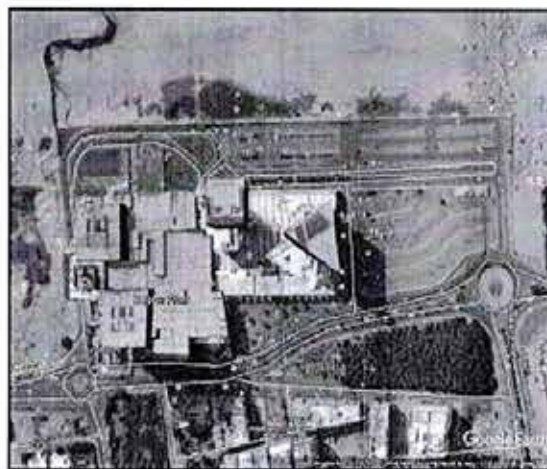
BASIC CALCULATION OF LAND:

Sea view road is the most prestigious and prime real estate location mostly throughout the world and Karachi is also no different in this too. The Sea View road is fastly becoming the business hub of Karachi and almost impossible to find a plot on the main road or on the sea side.

To assess the value of the land in the area the survey of estate agents / property dealers was carried out. At present, the cost of the land on sea side and around this area has become very attractive and observed increasing trend in the cost between the range of PKR. 950,000 To PKR. 1,000,000 Per Square Yard depending upon the location and size of the plot. Therefore, we are taking the land value PKR. 975,000 Per Square Yard on similar parameters as under:

Total Area of Entire Plot:	37,666.65 Square Yards
Assessed Market Value of the Land:	975,000.00 per Square Yards
Total Assessment of Land:	PKR. 36,724,983,750.00
Shared Land Area of RIET:	15,201.68 Square Yards (As per Documents)
Assessed Market Value of the Land:	PKR. 975,000.00 Per Square Yards
Total Assessment of Land:	PKR. 14,821,638,000.00
(Rupees Fourteen Billion Eight Hundred Twenty One Million Six Hundred and Thirty Eight Thousand Only)	

Location Images Taken From Google Earth



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CALCULATION OF COST OF STRUCTURE:

Dolmen City Shopping Mall:

Dolmen City Shopping Mall Comprises of Lower and Upper Basement, Ground, Mezzanine and Three upper Floors. (Including earth work Finishes of concealed roofing, flooring, paint, door & windows, Lift System, internal and external electrical work) by considering these all parameters. The construction cost considered Dolmen city Shopping Mall is approximately between PKR. 18,000 to PKR. 29,000 per Square Foot including all services (MEP) depending upon the Finishes and Architectural design of floors.

STRUCTURE CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR.)
1	Lower Basement (-5000)	186,153.00	25,000.00	4,653,825,000.00
2	Upper Basement (-2000)	274,285.00	18,000.00	4,937,130,000.00
3	Ground Floor	241,052.00	29,000.00	6,990,508,000.00
4	Mezzanine Floor	19,879.00	19,000.00	377,701,000.00
5	First Floor	275,399.00	29,000.00	7,986,571,000.00
6	Second Floor	272,972.00	29,000.00	7,916,188,000.00
7	Third Floor	27,667.00	19,000.00	525,673,000.00
	Total Value Of Structure of Dolmen City Mall	1,297,407.00		33,387,596,000.00

NOTE: The above estimated construction value is taken from the material used in construction, quality of work, and other fixtures installed on each floors. Beside that it is a general phenomenon that the costs of upper floor are usually less than the lower floors. Keeping in consideration these facts the above value determined in this project is appropriate.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

Harbour Front Office Building:

The construction cost of Harbour Front Office Building has been taken approximately between PKR. 9,500.00 – 12,750.00 per Square Foot due to present market condition and depending upon the Finishes and Architectural design of floors. MYK has taken an average base cost of PKR. 11,750.00 Per Square Foot.

STRUCTURE CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR)
1	Third Floor	14,797.25	25,500.00	377,329,875.00
2	Fourth Floor	15,549.16	25,500.00	396,503,580.00
3	Fifth Floor	15,549.16	25,500.00	396,503,580.00
4	Sixth Floor	15,497.52	25,500.00	395,186,760.00
5	Seventh Floor	15,497.52	25,500.00	395,186,760.00
6	Eighth Floor	15,497.52	25,500.00	395,186,760.00
7	Ninth Floor	15,438.55	25,500.00	393,683,025.00
8	Tenth Floor	15,438.55	25,500.00	393,683,025.00
9	Eleventh Floor	15,438.55	25,500.00	393,683,025.00
10	Twelfth Floor	15,578.65	25,500.00	397,255,575.00
11	Thirteenth Floor	15,578.65	25,500.00	397,255,575.00
12	Fourteenth Floor	15,578.65	25,500.00	397,255,575.00
13	Fifteenth Floor	15,451.46	25,500.00	394,012,230.00
14	Sixteenth Floor	15,451.46	25,500.00	394,012,230.00
15	Seventeenth Floor	15,451.46	25,500.00	394,012,230.00
16	Eighteenth Floor	15,341.71	25,500.00	391,213,605.00
17	Nineteenth Floor	15,447.27	25,500.00	393,905,385.00
18	Twentieth Floor	7,687.58	19,000.00	146,064,020.00
Total Value Of Structure of Harbour Front Multistory Building		270,270.67		6,841,932,815.00

TOTAL VALUE OF STRUCTURE BEFORE DEPRECIATION:
(i.e. 33,387,596,000.00 + 6,841,932,815.00)

PKR. 40,229,528,815.00

LESS DEPRECIATION (11 Years):

(Diminishing method of depreciation is applying on structure @ 3% Per Annum)

PKR. 11,453,290,815.00

TOTAL VALUE OF STRUCTURE AFTER DEPRECIATION:

(Rupees Twenty Eight Billion Seven Hundred Seventy Six Million Two Hundred and Thirty Eight Thousand Only)

PKR. 28,776,238,000.00

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART-I: COST APPROACH (LAND AND BUILDING STRUCTURE)

Total Assessment of Land: **PKR. 14,821,638,000.00**
(Rupees Ten Billion Six Hundred Forty One Million One Hundred and Seventy Six Thousand Only)

Total Assessment of Structure: **PKR. 28,776,238,000.00**
(Rupees Twenty Eight Billion Seven Hundred Seventy Six Million Two Hundred and Thirty Eight Thousand Only)

LAND + STRUCTURE: **PKR. 43,597,876,000.00**
(I.e. PKR. 14,821,638,000.00 + PKR. 28,776,238,000.00)
(Rupees Forty Three Billion Five Hundred Ninety Seven Million Eight Hundred and Seventy Six Thousand Only)

All possible factors have been taken critically in consideration to evaluate and determine the value of the REIT Properties "Dolmen City Mall And Harbour Front" including the natural and physical condition of the plot area, type of building design and structure, type of construction, age of construction, state of infrastructure in the area, location, availability of utilities connection in the premises. Further, Government's future development measures to boost the commercial activities, reliability in return of investment in short term or long term plan basis.

- Law and order situation of the area.
- Prevailing market conditions for real estate.
- Property buying and selling activities in the city.
- Availability of prospective buyers.
- Current economic situation of the country.
- Present government policies and political environment.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART-II: SALE COMPARISON APPROACH:

This approach compares the subject property characteristics with those of comparable properties which have recently been sold to determine the value of subject real estate. The process adjusts the prices of comparable transactions according to the presence, absence, or degree of characteristics, which influence value.

According to our market survey, no standard comparable building / project is available in the vicinity of the "Dolmen City Mall and Harbour Front" Clifton for sale comparison, so we cannot compare it for comparison approach. Whereas, at some distance from "Dolmen City Mall and Harbour Front" some other project which having the same facilities, fitting and fixtures such as "The Centre Point", "Ocean Tower" and "Park Tower" which have almost the similar rates as in our report. The below valuation chart for sales comparison approach value is based on leasable area:

CALCULATION FOR DOLMEN CITY MALL:

CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area in Sq. Ft	Rate/SFT	Amount in PKR
1	Lower Basement (-5000)	-	-	-
2	Upper Basement (-2000)	5,285.00	95,000.00	502,075,000.00
3	Ground Floor	187,347.00	134,000.00	25,104,498,000.00
4	Mezzanine Floor	-	-	-
5	First Floor	181,342.00	130,000.00	23,574,460,000.00
6	Second Floor	173,335.00	125,000.00	21,666,875,000.00
7	Third Floor	-	-	-
Total Value of DOLMEN CITY MALL		547,309.00		70,847,908,000.00

NOTE:

The above estimated value of basement is lower than the ground and upper floors because the quality of finishing of the basement area is lower than the upper floors area and space is usually for car parking, storage of material, Godown etc., therefore its cost is lower than the upper floors.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING:

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Leasable Area	Rate/SFT	Cost
1	Ground Floor	5,581.00	45,000.00	251,145,000.00
2	Third Floor	10,878.00	45,000.00	489,510,000.00
3	Fourth Floor	14,578.00	45,000.00	656,010,000.00
4	Fifth Floor	14,578.00	45,000.00	656,010,000.00
5	Sixth Floor	14,578.00	45,000.00	656,010,000.00
6	Seventh Floor	14,578.00	45,000.00	656,010,000.00
7	Eighth Floor	14,578.00	45,000.00	656,010,000.00
8	Ninth Floor	14,321.00	45,000.00	644,445,000.00
9	Tenth Floor	14,321.00	45,000.00	644,445,000.00
10	Eleventh Floor	14,358.00	45,000.00	646,110,000.00
11	Twelfth Floor	14,319.00	45,000.00	644,355,000.00
12	Thirteenth Floor	14,500.00	45,000.00	652,500,000.00
13	Fourteenth Floor	14,293.00	45,000.00	643,185,000.00
14	Fifteenth Floor	14,500.00	45,000.00	652,500,000.00
15	Sixteenth Floor	14,230.00	45,000.00	640,350,000.00
16	Seventeenth Floor	14,219.00	45,000.00	639,855,000.00
17	Eighteenth Floor	15,223.00	45,000.00	685,035,000.00
18	Nineteenth Floor	15,223.00	45,000.00	685,035,000.00
19	Twentieth Floor	7,688.00	45,000.00	345,960,000.00
	Total Value Of Harbour Front Multistory Building	256,544.00		11,544,480,000.00

PART-II: SALE COMPARISON APPROACH:

GRAND TOTAL VALUE OF PROPERTY: PKR. 82,392,388,000.00

(i.e. PKR. 70,847,908,000.00 + PKR. 11,544,480,000.00)

(Rupees Eighty Two Billion Three Hundred Ninety Two Million Three Hundred and Eighty Eight Thousand Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

DETERMINATION OF FORCED SALE VALUE:

In order to determine the Forced Sale Value of the REIT Properties "Dolmen City Mall and Harbour Front", all the factors including the natural and physical condition of the plot area, type of building design and structure, type of construction, age of construction, state of infrastructure in the area, location, availability of utilities connection in the premises have been considered. Further, Government's future development measures to boost the commercial activities, reliability in return of investment in short term or long term plan basis are also taken in consideration to determine the Forced Sale Value (FSV).

- Law and order situation of the area.
- Prevailing market conditions for real estate.
- Property buying and selling activities in the city.
- Availability of prospective buyers.
- Current economic situation of the country.
- Present government policies and political environment.

The most common hypothetical conditions and extraordinary assumptions arise from the requirement that the property be sold within an unusually short period, thereby limiting reasonable market exposure and recognizing the specific needs of a party other than the property owner. In these circumstances, proper marketing may not be possible therefore, less 20% is the usual percentage to be considered to sale the property in such circumstances.

Forced Sale Value (Less 20%): **PKR. 65,913,910,400.00**
(Rupees Sixty Five Billion Nine Hundred Thirteen Million Nine Hundred Ten Thousand and Four Hundred Only)

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

PART III: INCOME CAPITALIZATION APPROACH: **(As per Valuer)**

In our present market study and survey, it is observed that there is marginal increase in rental value in all malls in the Clifton area of Karachi due increase in business activities in this area and improved security measure in the city and to lifting of ban on highrise buildings by the Government upon the direction of Supreme Court of Pakistan. With this decisions and directions of the Honorable Supreme Court, the confidence in the general public has improved, so therefore sentimental trend of commercial activities in the late hours has also increasing day by day in the city and as well as in malls. In light of above facts and parameters, the rent at lower floors of this mall were also observed incremental. In respect of any comparison, presently there is no any comparable Mall available in the vicinity having such areas for offices and shopping space, however some projects/malls are under construction in vicinity / Clifton Area and near future this could be possible. Therefore basis of our experience and in comparison to other similar properties in the other places of city and considering the facilities location and other aspects of Dolmen City Mall and Harbour Front the reasonable rent for the property can be taken in between the range of **0.45% to 0.55%** of the total value of structure for Dolmen City REIT and **0.8% to 0.9%** for Harbour front. Whereas, the renting percentage is assessed 0.5% for upper basement due to its convenient location and ease of accessibility. However, for the rest we have taken an average rate of 0.45% for Dolmen City Mall and 0.85% for Harbour Front respectively.

CALCULATION FOR DOLMEN CITY SHOPPING MALL					
S.#	Description	Area	Rent/SFT	Rent %	Rental Value In PKR
1	Lower Basement (-5000)	-			
2	Upper Basement (-2000)	5,285.00	475.00	0.50%	2,510,375.00
3	Ground Floor	187,347.00	603.00	0.45%	112,970,241.00
4	Mezzanine Floor	-			
5	First Floor	181,342.00	585.00	0.45%	106,085,070.00
6	Second Floor	173,335.00	562.50	0.45%	97,500,937.50
7	Third Floor	-			
	Total Rental Value Of Dolmen City Shopping Mall per Month	547,309.00			319,066,623.50
	Total Rental Value Of Dolmen City Shopping Mall per annum	547,309.00			3,828,799,482.00

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area	Rent/SFT (0.85%)	Rental Value
1	Ground Floor	5,581.00	382.50	2,134,732.50
2	Third Floor	10,878.00	382.50	4,160,835.00
3	Fourth Floor	14,578.00	382.50	5,576,085.00
4	Fifth Floor	14,578.00	382.50	5,576,085.00
5	Sixth Floor	14,578.00	382.50	5,576,085.00
6	Seventh Floor	14,578.00	382.50	5,576,085.00
7	Eighth Floor	14,578.00	382.50	5,576,085.00
8	Ninth Floor	14,321.00	382.50	5,477,782.50
9	Tenth Floor	14,321.00	382.50	5,477,782.50
10	Eleventh Floor	14,358.00	382.50	5,491,935.00
11	Twelfth Floor	14,319.00	382.50	5,477,017.50
12	Thirteenth Floor	14,500.00	382.50	5,546,250.00
13	Fourteenth Floor	14,293.00	382.50	5,467,072.50
14	Fifteenth Floor	14,500.00	382.50	5,546,250.00
15	Sixteenth Floor	14,230.00	382.50	5,442,975.00
16	Seventeenth Floor	14,219.00	382.50	5,438,767.50
17	Eighteenth Floor	15,223.00	382.50	5,822,797.50
18	Nineteenth Floor	15,223.00	382.50	5,822,797.50
19	Twentieth Floor	7,688.00	382.50	2,940,660.00
Total Rental Value of Harbour Front Multistory Building per month		250,963.00		98,128,080.00
Total Rental Value of Harbour Front Multistory Building per annum		250,963.00		1,177,536,960.00

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

DOLMEN CITY SHOPPING MALL:

TOTAL RENTAL VALUE OF DOLMEN CITY: **PKR. 3,828,799,482.00**
(Rupees Three Billion Eight Hundred Twenty Eight Million Seven Hundred Ninety Nine Thousand Four Hundred and Eighty Two Only)

The projected rent for the next three years may be forecasted with an annual increment of 10% of the current market rent. The projected rent is given below:

First Year:	PKR. 3,828,799,482.00
Second Year (Increment of 10%):	PKR. 4,211,679,430.20
Third Year (Increment of 10%):	PKR. 4,632,847,373.22

HARBOUR FRONT MULTISTORY BUILDING:

TOTAL RENTAL VALUE OF HARBOUR FRONT: **PKR. 1,177,536,960.00**
(Rupees One Billion One Hundred Seventy Seven Million Five Hundred Thirty Six Thousand Nine Hundred and Sixty Only)

The Projected rent for the next Three Years may be forecasted with an annual increment of 10% of the current market rent. The projected rent is given below:

First Year:	PKR. 1,177,536,960.00
Second Year (Increment of 10%):	PKR. 1,295,290,656.00
Third Year (Increment of 10%):	PKR. 1,424,819,721.60

GRAND TOTAL RENTAL VALUE OF PROPERTY: **PKR. 5,006,336,442.00**
(i.e.: PKR. 3,828,799,482.00 + PKR. 1,177,536,960.00)
(Rupees Five Billion Six Million Three Hundred Thirty Six Thousand Four Hundred and Forty Two Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

DOLMEN CITY SHOPPING MALL:

TOTAL RENTAL VALUE OF DOLMEN CITY: **PKR. 3,828,799,482.00**
(Rupees Three Billion Eight Hundred Twenty Eight Million Seven Hundred Ninety Nine Thousand Four Hundred and Eighty Two Only)

The projected rent for the next three years may be forecasted with an annual increment of 10% of the current market rent. The projected rent is given below:

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HARBOUR FRONT MULTISTORY BUILDING:

TOTAL RENTAL VALUE OF HARBOUR FRONT: **PKR. 1,177,536,960.00**
(Rupees One Billion One Hundred Seventy Seven Million Five Hundred Thirty Six Thousand Nine Hundred and Sixty Only)

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GRAND TOTAL RENTAL VALUE OF PROPERTY: **PKR. 5,006,336,442.00**
(i.e.: PKR. 3,828,799,482.00 + PKR. 1,177,536,960.00)
(Rupees Five Billion Six Million Three Hundred Thirty Six Thousand Four Hundred and Forty Two Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

In order to determine the effect of marketing on a company's growth is never been black and white. There are many factors those combine to create a successful and growing business. However, without marketing and sales a company gets very little, if any, promotion or exposures, meaning the chances of growth are slim to none. This is a well-known fact among marketers, evident in the amount of Rupees successful corporations allocate towards sales and marketing every year.

Generally the expenditure in between the range of 18% to 22% of gross rental income based on the experience "MYK Associates Pvt. Ltd" taken 20% on average basis. However capitalization rate should be in the range between 5% - 7%. This can be taking a figure of 6% on average basis.

TOTAL YEARLY RENTAL INCOME:	PKR. 5,006,336,442.00
Less operating cost (Assuming 20% of yearly rental income):	PKR. 1,001,267,288.40
First year income after less operating cost:	PKR. 4,005,069,153.60
Capitalization rate:	6%
PROPERTY VALUE BASED ON VALUER'S ESTIMATED INCOME CAPITALIZATION VALUE:	PKR.66,751,152,560.00

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART III: INCOME CAPITALIZATION APPROACH (DCR):
[As per projected Net Operating Income (NOI)]

Arif Habib Dolmen REIT Management Limited has shared the occupancy projected status of the REIT property (Dolmen City Mall and Harbour Front) with the projected rent and expenses for the assessment of value based on the Income Capitalization Approach. The tenancy profile of Dolmen Mall is based on long term agreements with built in rent escalation thus representing a clear picture of future revenue. Out of the three approaches identified in REIT Regulations – 2022, Income Capitalization Approach is generally based on the principle that the value of the property reflects the quality and quantity of income it is expected to generate over time. It is the most typical approach used for income producing properties i.e. rental properties. Being based on actual agreements, this in comparison to income as per valuer's assessment represents the more representative determination for rental properties. Accordingly it is the most relevant approach for determination of valuation of REIT Management Property for reporting purposes. We have applied our estimated capitalization rate of 6% on the given data to determine the value of property remained same as in our previous report and are as follows:

REIT - Income Projections		Amount (in PKR)
Revenue		
Gross Rental Revenue		4,739,636,150.47
Ancillary Income		288,740,206.00
Sub-Total Operating Revenue (A)		5,028,376,356.47

LESS OPERATING COST:

Operating Costs		
SECP Monitoring fees	0.1% of fund size (PKR 22,237,000,000)	22,237,000.00
Property Management Fee	6% of Gross Rental Revenue (incl 13% SST)	321,347,331.00
Ancillary Income collection charges	15% of Ancillary Income (incl 13% of SST)	48,941,464.92
Insurance Expense		63,000,000.00
Property Tax		19,032,000.00
Renovation expense		265,000,000.00
Legal and professional charges		10,603,000.00
Other Recurring Expenses		97,404,000.00
Marketing Expenses	2% of Gross Rental Revenue	98,000,000.00
Sub-Total (B)		945,564,795.92

NET OPERATING INCOME (A-B):
 (i.e.: PKR. 5,028,376,356.47 – PKR. 945,564,795.92)

PKR. 4,082,811,560.56

CAPITALIZATION RATE
 Property Value based on DCR's (projected NOI based on Existing rental agreements and expected rent for the vacant Area)

6%

Capitalization Value:

PKR. 68,046,859,342.59

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CONCLUSION:

We have carried out a detailed evaluation and inspection of the REIT Properties i.e. Dolmen City Mall and the Harbour Front constructed on Plot No: HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for valuation vides REIT Regulations - 2022.

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	43,597	Rupees Forty Three Thousand Five Hundred and Ninety Seven Million Only
Sales Compression Approach	82,392	Rupees Eighty Two Thousand Three Hundred and Ninety Two Million Only.
Income Capitalization Approach		
i. Property Value based on Valuer estimated Income Capitalization Value	66,751	Rupees Sixty Six Thousand Seven Hundred and Fifty One Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	68,046	Rupees Sixty Eight Thousand and Forty Six Million Only.

This report is an evaluation appraisal report designed to give a conclusion of assets value and not to be considered as accounting report. In this report a fair market valuation determined carefully of the properties M/s. Dolmen City REIT, constructed on amalgamated HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi to the best of our ability and knowledge.

Therefore, evaluation report reflects our findings at the place mentioned therein and to the date and time of its inspection. Our assessment is computed with the assumption of market variables which influenced the value and that may vary unexpectedly time to time. In this report we have evaluated the cost of above said properties on the assumption of that it is free from any levies and encumbrances irrespective of any nature in title or otherwise. Our physical appraisal is based on the information and data provided by the officials of the REIT Management Company - M/s. Arif Habib Dolmen REIT Management Limited for REIT or their coordinating staff and accepted in good faith without any responsibility. We have carried out the exercise of valuation with due care and diligence and according to the REIT Regulations-2022.


 Engr. Muhammad Touqir
 Surveying Engineer & Evaluations


 Sharjeel Siddiqui
 Operation Manager


 Syed Shahid Raza
 General Manager

**VALUATION REPORT FOR COMMERCIAL PROPERTY
 DOLMEN CITY MALL AND HARBOUR FRONT
 (VALUER DECLARATION UNDER REIT REGULATIONS – 2022)**

DECLARATION


I, Engr. Muhammad Touqir, Senior Surveying Engineer of MYK Associates (Pvt.) Limited carried out a valuation of "Dolmen City and Harbour Front" at HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for M/s Arif Habib Dolmen REIT, to the best of my knowledge and belief declare:

1. That after an inspection of the Real Estate and a study of pertinent factors, including valuation trends and an analysis of neighborhood data the market value of the subject Real Estate as on August 07, 2023 are as below:

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	43,597	Rupees Forty Three Thousand Five Hundred and Ninety Seven Million Only
Sales Compression Approach	82,392	Rupees Eighty Two Thousand Three Hundred and Ninety Two Million Only.
Income Capitalization Approach		
i. Property Value based on MYK estimated Income Capitalization Value	66,751	Rupees Sixty Six Thousand Seven Hundred and Fifty One Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	68,046	Rupees Sixty Eight Thousand and Forty Six Million Only.


2. That the statements of fact contained in this report are true and correct.
3. That I have not withheld any information.
4. That I have no interest in the Real Estate that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. That I have not been instructed either by my company or the client to report a predetermined value for the subject Real Estate.
6. That I am neither a director nor an employee of the RMC and do not have any financial interest, direct or indirect, in the RMC.
7. That I have personally inspected the Real Estate that is the subject of this report.

DECLARED BY:


 (Muhammad Touqir)
 Senior Surveying Engineer



WITNESSED BY:


 (Muhammad Younus Khan)
 CEO
 Date: August 07, 2023

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

GROUND FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

GROUND FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

FIRST FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

FIRST FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

SECOND FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

SECOND FLOOR PICTURES



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

SECOND FLOOR PICTURES





KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITORS' REVIEW REPORT

To the unitholders of Dolmen City REIT

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC) for and on behalf of Dolmen City REIT (the Scheme) for the year ended 30 June 2023 in accordance with the requirements of regulation No. 36 of the Regulations.


The responsibility for compliance with the Regulations is that of the Board of Directors of the RMC of the Scheme. Our responsibility is to review whether the Statement of Compliance reflects the status of the Scheme's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the RMC's personnel and review of various documents prepared by the RMC to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Scheme's corporate governance procedures and risks.

The Regulations require the RMC of the Scheme to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Scheme's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Scheme for the year ended 30 June 2023.

Date: 27 October 2023
Karachi
UDIN: CR202310096A2z5GXRSO


KPMG Taseer Hadi & Co.,
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation, 2019 for the year ended 30, June 2023

Name of Company: Arif Habib Dolmen REIT Management Limited (the REIT Management Company or RMC)
For and on behalf of: Dolmen City REIT (the Scheme)
Year ended: June 30, 2023

The RMC has complied with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) for and on behalf of the Scheme in the following manner:

1. The total number of directors are 9 (nine) comprising of eight elected directors and one deemed director composition is as follows:
 - a) Male: 8
 - b) Female: 1
2. The composition of the board is as follows:

Category	Names
Non-Executive Director	Mr. Arif Habib - Chairman Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajid Ullah Sheikh
Independent Director	Mr. Naeem Ilyas Mr. Muhammad Noman Akhter
Female Director (Independent Director)	Ms. Tayyaba Rasheed
Chief Executive (Deemed Director)	Mr. Muhammad Ejaz

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including RMC;
4. The RMC has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the RMC along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the RMC. The Board has ensured that a complete record of particulars of significant policies along with the dates of approval or updating is maintained by the RMC;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Management Company as empowered by the relevant provisions of the Companies Act, 2017, REIT Regulations, 2022 and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;



8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
9. Seven directors have a certification under Directors' Training Program, one director of the RMC is exempt from the requirement of Director's Training Program;
10. The Board has approved appointment of Chief Financial officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial officer and Chief Executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Noman Akhter	Member
 - b) Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Ejaz	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
 - a) Audit Committee: 6 meetings
 - b) Human Resource & Remuneration Committee: 1 meeting
15. The Board has outsourced the internal audit function to M/s Junaidy Shoaib Asad & Co Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the RMC;
16. The statutory auditors of the Scheme have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the RMC;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and



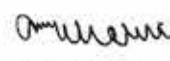
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below (if applicable):

S. No	Requirement	Explanation for not meeting non-mandatory requirements	Regulation No.
1.	Same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed Company.	This matter is explained in point number 20 (see below) of this statement.	24

20. We confirm that all other requirements of the Regulations have been complied with except for the requirement that the same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed Company. As the Regulations allow the Companies to either comply or explain the reason otherwise, therefore, the Company has adopted explanation approach as the management is of the view, that the current Chief Financial Officer and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the RMC, therefore hiring a separate person for both position is not feasible.

For and behalf of the board.


Muhammad Ejaz
Chief Executive


Arif Habib
Chairman

Dated: October 27, 2023
Karachi



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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Dolmen City REIT

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Dolmen City REIT ("the Scheme"), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in unitholder's fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory 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 unitholders' fund 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) and Real Estate Investment Trust Regulations, 2022, in the manner so required and respectively give a true and fair view of the state of the Scheme's affairs as at 30 June 2023 and of the profit and other comprehensive income, the changes in unitholders' fund 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Scheme 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 (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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Valuation of Investment Property	
	<p>Refer note 4 to the financial statements.</p> <p>The investment property amounted to Rs. 68,046 million as at 30 June 2023.</p> <p>Investment property forms a significant part of the Scheme's total assets. The Scheme's investment property is stated at fair value based on valuations carried out by independent qualified professional valuer (the "management valuer") with the changes recognized in the statement of profit or loss.</p> <p>The management valuer under REIT Regulation, 2022 is required to carry out valuation on any valuation technique adopted explicitly stating the reason for opting such approach. The management valuer has stated "Income Capitalization Approach - on projected Net Operating Income (NOI) based on existing rent arrangements and expected rent for the vacant area" is the most appropriate approach used for valuation.</p> <p>We identified valuation of investment property as a key audit matter because the valuation is dependent on significant unobservable inputs that involve management's judgment. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 4 to the financial statements.</p>	<p>Our audit procedures to assess the valuation of investment property, amongst others, included the following:</p> <ul style="list-style-type: none"> evaluated the design and implementation of relevant controls over the measurement of the investment property; assessed the competence, capabilities and objectivity of the management valuer and evaluated their scope of work; on sample basis, assessed whether the source data provided to the management's valuer is reasonable; obtained the valuation report and engaged our external specialist for assessing the reasonableness of the significant unobservable inputs and estimates used by the management valuer and whether the valuation approach recommended by management's valuer represent the most appropriate approach; engaged our auditors' own valuation specialist to assist us in evaluating the assumptions and judgements used by management in its projected net operating income working; and assessed the adequacy of the related disclosures in the notes to the financial statements in accordance with the requirement of IFRS.

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S. No.	Key audit matters	How the matters were addressed in our audit
2.	Revenue Recognition	
	<p>Refer notes 17 and 18 to the financial statements.</p> <p>The Scheme's revenue for the year ended 30 June 2023 was Rs. 4,577 million.</p> <p>Revenue from rental income is recognized on a straight line basis over the non-cancellable period of the lease. Whereas, revenue from marketing activities is recognized when the event is performed.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Scheme and therefore there is an inherent risk that revenue may not have been recorded in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> assessed the design, implementation and operating effectiveness of the key internal controls which governs the revenue recognition; assessed the appropriateness of the Scheme's accounting policies for revenue recognition including its compliance with applicable accounting standards; tested revenue transactions recorded during the current year, on sample basis, with underlying documentation including invoices and rent agreements to assess whether the revenue was recognized in accordance with Scheme's revenue recognition accounting policies; and tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recorded in the appropriate accounting period.

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.

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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 Those Charged with Governance 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, the requirements of Companies Act, 2017 (XIX of 2017) and the REIT Regulations, 2022 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 Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

Auditor's 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 auditor's 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.

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- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in unitholders' fund, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Real Estate Investment Trust Regulation, 2022 and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made and expenditure incurred during the year were for the purpose of the Scheme's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Scheme and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Aryn Malik.

Date: 27 October 2023
Karachi
UDIN: AR202310096riuGF7byO


KPMG Taseer Hadi & Co.
Chartered Accountants

FINANCIAL STATEMENTS





Statement of Financial Position

As at June 30, 2023

		June 30 2023	June 30 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Investment property	4	68,046,859	62,821,189
Current Assets			
Receivables	5	106,175	158,467
Advances and deposits	6	24,132	12,014
Advance tax	7	215,590	207,271
Accrued profit on deposits		20,314	8,671
Short-term investments	8	750,700	661,567
Bank balances	9	1,131,446	950,206
Total Current Assets		2,248,357	1,998,196
TOTAL ASSETS		70,295,216	64,819,385
UNIT HOLDERS' FUND AND LIABILITIES			
Unit holders' fund			
REPRESENTED BY:			
Issued, subscribed and paid up units (2,223,700,000 units of Rs. 10 each)	10	22,237,000	22,237,000
Capital Reserves	11	46,091,205	40,865,535
Revenue Reserve		1,168,142	926,757
Total unit holder's fund		69,496,347	64,029,292
CURRENT LIABILITIES			
Payable to REIT Management Company – Related Party	12	39,305	32,569
Security deposits	13	497,688	459,297
Accrued expenses and other liabilities	14	247,049	284,992
Unclaimed dividend	15	14,827	13,235
Total Current Liabilities		798,869	790,093
CONTINGENCIES AND COMMITMENTS	16		
TOTAL UNIT HOLDERS' FUND AND LIABILITIES		70,295,216	64,819,385
NET ASSETS VALUE PER UNIT		31.25	28.79

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Statement of Profit or Loss

For the year ended 30 June 2023

		June 30 2023	June 30 2022
	Note	----- (Rupees in '000) -----	
Revenue			
Rental income	17	4,318,760	3,573,664
Marketing income	18	258,387	221,536
		<u>4,577,147</u>	<u>3,795,200</u>
Administrative and operating expenses	19	(580,271)	(504,781)
Impairment loss on receivables	5.1	(17,688)	(11,589)
Net operating income		<u>3,979,188</u>	<u>3,278,830</u>
Other income	20	244,338	126,748
		<u>4,223,526</u>	<u>3,405,578</u>
Management fee	12.2	(119,376)	(98,365)
Sindh sales tax on management fee	12.2	(15,519)	(12,787)
Trustee fee	14.4	(19,896)	(16,394)
Sindh sales tax on trustee fee	14.4	(2,586)	(2,131)
		<u>(157,377)</u>	<u>(129,677)</u>
Profit before change in fair value of Investment property		<u>4,066,149</u>	<u>3,275,901</u>
Unrealised gain on remeasurement of fair value of Investment property	4	5,225,670	6,486,992
Profit before taxation		<u>9,291,819</u>	<u>9,762,893</u>
Taxation	21	-	-
Profit for the year		<u><u>9,291,819</u></u>	<u><u>9,762,893</u></u>
		----- (Rupees) -----	
Earnings per unit - Basic and diluted	22	<u><u>4.18</u></u>	<u><u>4.39</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director

Statement of Comprehensive Income

For the year ended 30 June 2023

	June 30 2023	June 30 2022
	----- (Rupees in '000) -----	
Profit for the year	9,291,819	9,762,893
Other comprehensive income	-	-
Total comprehensive income for the year	9,291,819	9,762,893

The annexed notes from 1 to 30 form an integral part of these financial statements



Chief Financial Officer



Chief Executive Officer



Director

Statement of changes in Unit Holders' Fund

For the year ended 30 June 2023

	Issued, Subscribed and paid up units	Reserves				Total unit holders' fund
		Premium on issue of units - net (Note 11.1)	Capital Reserves	Total	Revenue Reserve	
			Fair Value Reserve (Note 11.2)		Unappropri- ated profit	
			----- (Rupees in '000) -----			
Balance as at 30 June 2021	22,237,000	281,346	34,097,197	34,378,543	808,510	57,424,053
Transactions with owners:						
Cash dividend for the year ended 30 June 2021 (Re. 0.33 per unit)	-	-	-	-	(733,821)	(733,821)
Cash dividend for the period ended 30 September 2021 (Re. 0.33 per unit)	-	-	-	-	(733,821)	(733,821)
Cash dividend for the period ended 31 December 2021 (Re. 0.37 per unit)	-	-	-	-	(822,769)	(822,769)
Cash dividend for the period ended 31 March 2022 (Re. 0.39 per unit)	-	-	-	-	(867,243)	(867,243)
	-	-	-	-	(3,157,654)	(3,157,654)
Total comprehensive income for the year	-	-	-	-	9,762,893	9,762,893
Reclassification adjustment relating to changes in fair value of investment property	-	-	6,486,992	6,486,992	(6,486,992)	-
Balance as at 30 June 2022	<u>22,237,000</u>	<u>281,346</u>	<u>40,584,189</u>	<u>40,865,535</u>	<u>926,757</u>	<u>64,029,292</u>
Transactions with owners:						
Cash dividend for the year ended 30 June 2022 (Re. 0.41 per unit)	-	-	-	-	(911,717)	(911,717)
Cash dividend for the period ended 30 September 2022 (Re. 0.43 per unit)	-	-	-	-	(956,191)	(956,191)
Cash dividend for the period ended 31 December 2022 (Re. 0.43 per unit)	-	-	-	-	(956,191)	(956,191)
Cash dividend for the period ended 31 March 2023 (Re. 0.45 per unit)	-	-	-	-	(1,000,665)	(1,000,665)
	-	-	-	-	(3,824,764)	(3,824,764)
Total comprehensive income for the year	-	-	-	-	9,291,819	9,291,819
Reclassification adjustment relating to changes in fair value of investment property	-	-	5,225,670	5,225,670	(5,225,670)	-
Balance as at 30 June 2023	<u>22,237,000</u>	<u>281,346</u>	<u>45,809,859</u>	<u>46,091,205</u>	<u>1,168,142</u>	<u>69,496,347</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 ----- (Rupees in '000) -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		9,291,819	9,762,893
Adjustments for non cash items:			
Unrealised gain on remeasurement of fair value of Investment property	4	(5,225,670)	(6,486,992)
Liability written back	20	(647)	-
Impairment loss on receivables	5.1	17,688	11,589
Profit on deposits	20	(243,691)	(126,748)
		<u>3,839,499</u>	<u>3,160,742</u>
Working capital changes			
(Increase) \ Decrease in current assets:			
Receivables		34,604	(9,139)
Advances, deposit		(12,118)	(9,538)
		<u>22,486</u>	<u>(18,677)</u>
Increase in current liabilities:			
Payable to REIT Management Company - related party		6,736	7,405
Security deposits		38,391	53,314
Accrued expenses and other liabilities		(37,296)	67,768
		<u>7,831</u>	<u>128,487</u>
Cash generated from operations		<u>3,869,816</u>	<u>3,270,552</u>
Tax paid		(8,319)	(3,140)
Net cash generated from operating activities		<u>3,861,497</u>	<u>3,267,412</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit on deposits received		232,048	125,566
Purchase of short-term investments - net of maturity		(6,722)	(3,249)
Net cash generated from investing activities		<u>225,326</u>	<u>122,317</u>
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(3,823,172)	(3,156,219)
Net cash used in financing activity		<u>(3,823,172)</u>	<u>(3,156,219)</u>
Net increase in cash and cash equivalents		<u>263,651</u>	<u>233,510</u>
Cash and cash equivalents at beginning of the year	23	1,567,795	1,334,285
Cash and cash equivalents at end of the year		<u>1,831,446</u>	<u>1,567,795</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Notes to the Financial Statements

For the year ended 30 June 2023

1. STATUS AND NATURE OF BUSINESS

- 1.1 Dolmen City REIT ("the Scheme") was established under Trust Deed, dated 20 January 2015, executed between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee. The Scheme is governed under the Real Estate Investment Trust Regulations, 2022 (REIT Regulations, 2022) (previously REIT Regulations, 2015), promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).

The Trust Deed of the Scheme was registered on 20 January 2015 whereas approval of the registration of the REIT Scheme has been granted by the SECP on 29 May 2015. The Scheme is a perpetual, closed-ended, shariah compliant rental REIT. The Scheme is listed on Pakistan Stock Exchange. On 25 October 2022, VIS Credit Rating Company Limited assigned rating "AAA(rr)" and "AM2+" to the Scheme and the RMC respectively.

The registered office of the REIT Management Company is situated at Arif Habib Center, 23 M.T. Khan Road, Karachi. All of the activities undertaken by the Scheme including but not limited to deposits and placements with banks, rental and marketing income earned were all in accordance with principle of Shariah. The principal activity of the Scheme is to generate rental income through investment property and distribute the income generated to unitholders through dividends.

- 1.2 The Scheme commenced its commercial activities on 01 June 2015. The Scheme was the subsidiary of International Complex Projects Limited (ICPL) directly holding 75% of the units. The Board of Directors of the ICPL in its meeting held on 22 April 2021 approved the scheme of arrangement for re-organization / re-arrangement of the Dolmen Group comprising restructuring of ICPL. The arrangement became effective on 01 July 2021 as sanctioned by the Honorable High Court of Sindh vide its Order dated 03 November 2021. Consequently, units held by ICPL were transferred to its associated undertakings i.e. Dolmen (Private) Limited and Al Feroz (Private) Limited, as envisaged in the said scheme of arrangement in equal proportion.

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 Standards (IFRSs) 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 Part VIII A of the repealed Companies Ordinance, 1984; and
- The Real Estate Investment Trust Regulations, 2022 (the REIT Regulations, 2022).

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984 and REIT Regulations, 2022 differ from the IFRS standards, the provisions of and directives issued under Companies Act, 2017 and REIT Regulations, 2022 have been followed.

- 2.1.1 On 28 November 2022, Securities and Exchange Commission of Pakistan vide S.R.O 2067/2022 has replaced REIT Regulations, 2015 with REIT Regulations, 2022 which came into force with immediate effect.

Notes to the Financial Statements

For the year ended 30 June 2023

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investment property, which has been measured at the fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Scheme. All figures have been rounded off to nearest thousand of rupees unless otherwise stated.

2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Scheme's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Investment property (notes 3.1 and 4);
- Allowance for impairment loss on rent receivables (notes 3.2.5 and 5); and
- Provisions and contingencies (notes 3.5 and 15)

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective.

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, entities will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for entities that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

Notes to the Financial Statements

For the year ended 30 June 2023

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help entities provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring entities to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a entity's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, entities will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

Notes to the Financial Statements

For the year ended 30 June 2023

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entities' liabilities and cash flows, and the entity's exposure to liquidity risk. Under the amendments, entities also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
 - Once tax law is enacted but before top-up tax is effective:
disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then an entity discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
 - After top-up tax is effective: disclose current tax expense related to top-up tax.

The above standards, interpretations and amendments are not likely to have a significant impact on Scheme's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. The Scheme has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 Investment Property

Investment property is the property which is 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 initially measured at cost and subsequently at fair value with any change therein recognised in statement of profit or loss.

The Scheme determines the fair value of its investment property after every six months through an independent qualified valuer fulfilling the minimum criteria stated by the REIT Regulations, 2022. The valuer under REIT Regulations, 2022 is required to carry out valuation and explicitly state the reasoning for the approach adopted that is most appropriate for the Scheme. The valuer has stated that Income Capitalisation Approach – "Projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area" is the most appropriate / relevant approach used for income producing properties i.e. rental properties.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Scheme and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 30 June 2023

3.2 Financial Instruments

3.2.1 Recognition and initial measurement

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Scheme becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.2.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as: amortised cost, Fair value through Other Comprehensive Income (OCI) – debt investment, fair value through OCI – equity investment, or fair value through profit or loss (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Scheme changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Scheme may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Scheme may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Financial Statements

For the year ended 30 June 2023

Financial assets - Business model assessment

The Scheme makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual mark-up income, maintaining a particular mark-up rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Scheme's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Scheme's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Scheme considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Scheme considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Scheme's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

For the year ended 30 June 2023

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Markup income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or 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 recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Markup expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.2.3 Derecognition

Financial assets

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Scheme neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Scheme enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Scheme derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Scheme also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2023

3.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Scheme currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2.5 Impairment on financial assets

The Scheme recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI, if any; and
- contract assets, if any.

The Scheme measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, if any; and
- other debt securities and bank balances, if any for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Scheme's historical experience and informed credit assessment, that includes inducing forward-looking information.

The Scheme assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Scheme considers a financial asset to be in default when:

- the customer is unlikely to pay its balance to the Scheme in full, without recourse by the Scheme to actions such as realizing security (if any is held); or
- the financial asset is past due for more than 180 days.

The Scheme considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-months ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Scheme is exposed to credit risk.

Notes to the Financial Statements

For the year ended 30 June 2023

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Scheme expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due for more than the agreed term;
- the restructuring of a loan or advance by the Scheme on terms that the Scheme would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Scheme has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Scheme makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Scheme expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Scheme's procedures for recovery of amounts due.

3.3 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements

For the year ended 30 June 2023

3.4 Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and term deposit receipts having maturity of not more than three months.

3.5 Provisions

Provisions are recognised when the Scheme has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised 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 utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

Income of the Scheme is exempt from income tax under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed in cash amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Scheme is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.7 Revenue Recognition

- Rental income from investment property is recognised as revenue on a straight line basis over the non-cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.

- Revenue from marketing activities is recognised when the event is performed.

3.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Scheme has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Scheme's accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Scheme measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Notes to the Financial Statements

For the year ended 30 June 2023

If there is no quoted price in an active market, then the Scheme uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Scheme measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Scheme determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on valuation technique for which any unobservable input are judged to be insignificant in related to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.9 Earnings per unit (EPU)

The Scheme presents basic and diluted earnings per unit data for its ordinary units. Basic EPU is calculated by dividing the profit or loss attributable to unitholders of the Scheme by the weighted average number of units outstanding during the year. Diluted EPU is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of unitholders outstanding after the effects of all dilutive potential units.

3.10 Net assets value per unit

The net assets value (NAV) per unit as disclosed on the statement of financial position is calculated by dividing the net assets of the Scheme by the number of units outstanding at the year end.

3.11 Dividend distribution

Dividend distribution to the Scheme's unitholders and appropriation to reserve is recognised in the financial statements as a liability in the period in which these dividend are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

3.12 Finance income and finance cost

The Scheme's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Finance income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating finance income and cost, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, markup income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of markup income reverts to the gross basis.

Notes to the Financial Statements

For the year ended 30 June 2023

4. INVESTMENT PROPERTY

		June 30 2023	June 30 2022
	Note	----- (Rupees in '000) -----	
Carrying amount at the beginning of the year		62,821,189	56,334,197
Add: Unrealised gain on remeasurement of fair value of investment property		5,225,670	6,486,992
Carrying amount at the end of the year	4.1	<u>68,046,859</u>	<u>62,821,189</u>

- 4.1** The investment property comprise of the buildings on leasehold land named as the "DOLMEN CITY MALL" and the "HARBOUR FRONT", comprising of two Basements (460,438 square feet), Ground floor (241,052 square feet), Mezzanine floor (19,879 square feet), First floor (275,399 square feet), Second floor (272,972 square feet), Plant and Transformer rooms (27,667 square feet), Third to Twentieth floors (270,271 square feet) having a total covered area of 1,567,678 square feet with 15,201.68 square yards undivided share in the plot bearing No. HC-3, Block 4, KDA, Scheme 5, Marine Drive, Karachi.

Rental income and marketing income earned from investment property for the year ended 30 June 2023 amounted to Rs. 4,319 million and Rs. 258 million (2022: Rs. 3,574 million and Rs. 222 million) respectively.

Direct operating expenses arising from investment property have been disclosed in note 19.4 to these financial statements.

- 4.1.1** The Scheme as a lessor has entered into operating leases with the tenants on its investment property consisting of Dolmen Mall Clifton ("DMC") and The Harbour Front ("THF"). These leases have terms of between one and five years with non-cancellable period ranges from six to twelve months. Moreover, tripartite agreements were entered between the Scheme, tenant and property manager, where common area management services were delegated to property manager namely Dolmen Real Estate Management (Private) Limited. Accordingly, the Scheme is not the principal for their services as it is not engaged / involved in the provision of these services.

- 4.1.2** Rental income is recognized on a straight line basis over the non-cancellable lease term. Non-cancellable lease term includes only the period in which both parties do not have the right to cancel / terminate the agreement. Due to the fact that it is more likely that the tenants may substitute their business place from the Company's managed premises to other premises, the management has recognized rental considering the non-cancellable period of six to twelve months.

The future aggregate minimum rentals receivable including non-cancellable period under operating leases as at 30 June are as follows:

	June 30 2023	June 30 2022
	----- (Rupees in '000) -----	
No later than one year	4,739,636	4,227,858
Later than one year but not later than five years	5,717,463	10,378,964
Later than five years	238,947	343,641
	<u>10,696,046</u>	<u>14,950,463</u>

- 4.2** The investment property has been valued by MYK Associates ('the Valuer') as at 30 June 2023 ('Tristar International Consultant (Private) Limited as at 30 June 2022'), who are independent valuers. The Valuer is enlisted with Pakistan Bank's Association and Pakistan Engineering Council and have recent experience in the location and category of the property being valued. The Valuer used the following approaches:

Notes to the Financial Statements

For the year ended 30 June 2023

	June 30 2023	June 30 2022
	----- (Rupees in '000) -----	
Cost approach	43,597,876	37,299,627
Sales comparison approach	82,392,388	78,561,058
Income capitalization approach - using capitalization rate of 6% (2022: 6%)		
(a) Valuer's assessment of rental income	66,751,153	63,019,291
(b) On projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area	68,046,859	62,821,189

The valuer in its valuation report has stated that out of three approaches "income capitalisation approach" is the most appropriate approach used for income producing properties i.e. rental properties. The valuer has determined two values under income capitalisation approach as stated above, however recommended that the valuation on the projected NOI based on existing rental agreements and expected rent for the vacant area is most appropriate for the Scheme. Accordingly, investment property has been valued in these financial statements under income capitalisation approach using 6% capitalisation rate on projected NOI based on the existing rental agreements and expected rent for the vacant area.

The forced sales value of the investment property is assessed to be Rs. 65,913.910 million (2022: Rs. 62,848.846 million).

Fair value hierarchy

The details of the investment property and information about its fair value hierarchy as at the end of the reporting period are as follows:

The fair value measurement for the investment property has been categorised within Level 3 fair value hierarchy which is considered as highest and best use of investment property. The fair value has been carried out considering following inputs:

	Level 2	Level 3	Fair value as at 30 June 2023
	----- (Rupees in '000) -----		
Dolmen Mall Clifton and The Harbour Front	-	68,046,859	68,046,859

	Level 2	Level 3	Fair value as at 30 June 2023
	----- (Rupees in '000) -----		
Dolmen Mall Clifton and The Harbour Front	-	62,821,189	62,821,189

Significant unobservable inputs

The fair value has been carried out considering following inputs:

	June 30 2023	June 30 2022
	----- (Rupees in '000) -----	
Projected Income	5,028,376	4,459,521
Projected operating cost	945,565	690,250
	----- (Percentage) -----	
Capitalization rate	6%	6%

Notes to the Financial Statements

For the year ended 30 June 2023

Sensitivity analysis

Change in each of the below significant unobservable input would have effect on fair value of investment property as shown below. The analysis assumes that all other variables remain constant and is performed on the same basis as for annual financial statements for the year ended 30 June 2022.

	Change in input	2023 Effect on fair value ----- (Rupees in '000) -----	2022
- Projected income (based on existing leasing contracts)	+ 5%	4,190,314	3,716,268
- Projected income (based on existing leasing contracts)	- 5%	(4,190,314)	(3,716,268)
- Projected operating costs	+ 5%	(787,971)	(575,208)
- Projected operating costs	- 5%	787,971	575,208
- Capitalization rate	+ 1%	(9,720,978)	(8,974,456)
- Capitalization rate	- 1%	13,609,369	12,564,238

5. RECEIVABLES

	Note	2023 ----- (Rupees in '000) -----	2022
Rent and marketing receivables		164,720	210,508
Receivable from related party		11,887	703
		176,607	211,211
Less: impairment allowance	5.1	(70,432)	(52,744)
	5.2	106,175	158,467

5.1 Movement of impairment loss on receivables:

	2023 ----- (Rupees in '000) -----	2022
Opening provision	52,744	41,155
Charge for the year	17,688	11,589
Closing provision	70,432	52,744

"Expected lifetime credit losses for receivables are recognised using the simplified approach. This is based on loss rates calculated from historical and forward-looking data, taking into account the business model, the respective customer and the economic environment of the geographical region. The loss allowance has been determined considering, both collectively and individually assessed receivables.

The Scheme writes off receivables when there is information indicating that the tenant is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the tenant has been placed under liquidation or has entered into bankruptcy proceedings.

5.2 The ageing of the total receivables as at the reporting date is as under:

	Credit Impaired	Weighted average loss rate %	Gross receivable	Security deposit	2023 Net exposure	Impairment	Net receivable
			----- (Rupees in '000) -----				
Not past due	No	3%	3,677	1,794	1,883	60	3,617
Past due 1 - 90 days	No	8%	90,466	16,616	73,850	5,929	84,537
Past due 91 - 180 days	No	76%	9,818	2,579	7,239	5,533	4,285
Past due over 180 days	Yes	100%	72,646	13,736	58,910	58,910	13,736
			176,607	34,725	141,882	70,432	106,175

Notes to the Financial Statements

For the year ended 30 June 2023

		2022					
	Credit Impaired	Weighted average loss rate %	Gross receivable	Security deposit	Net exposure	Impairment	Net receivable
(Rupees in '000)							
Not past due	No	0%	13,205	12,031	1,174	-	13,205
Past due 1 - 90 days	No	2%	81,542	46,260	35,282	735	80,807
Past due 91 - 180 days	No	25%	8,316	4,561	3,755	948	7,368
Past due over 180 days	Yes	100%	108,148	57,087	51,061	51,061	57,087
			211,211	119,939	91,272	52,744	158,467

5.2.1 The security deposit amount that has been netted from the receivables for presentation purpose.

5.3 Rent receivables due from related parties:

		2023			
		Gross	Past due amount	Impairment	Net
(Rupees in '000)					
Sindhbad Wonder Land (Private) Limited		7,065	7,065	-	7,065
Dolmen (Private) Limited		4,692	4,692	-	4,692
Al-Feroz (Private) Limited		85	85	-	85
Retail Avenue (Private) Limited		45	45	-	45
		11,887	11,887	-	11,887

		2022			
		Gross	Past due amount	Impairment	Net
(Rupees in '000)					
Sindhbad Wonder Land (Private) Limited		466	466	-	466
Dolmen (Private) Limited		85	85	-	85
Al-Feroz (Private) Limited		86	86	-	86
Retail Avenue (Private) Limited		66	66	-	66
		703	703	-	703

5.4 Ageing analysis of rent receivables from related parties:

		2023				
	Weighted average loss rate	Gross receivable	Security deposit	Net exposure	Impairment	Net
(Rupees in '000)						
Not past due	0%	-	-	-	-	-
Past due 1 - 90 days	0%	11,799	-	-	-	11,799
Past due 91 - 180 days	0%	3	-	-	-	3
Past due over 180 days	0%	85	-	-	-	85
		11,887	-	-	-	11,887

Notes to the Financial Statements

For the year ended 30 June 2023

		2023				
	Weighted average loss rate	Gross receivable	Security deposit	Net exposure	Impairment	Net
----- (Rupees in '000) -----						
Not past due	0%	-	-	-	-	-
Past due 1 - 90 days	0%	-	-	-	-	-
Past due 91 - 180 days	0%	-	-	-	-	-
Past due over 180 days	0%	703	-	-	-	703
		703	-	-	-	703

5.4.1 Impairment loss has not been recognised against these receivables as these are related parties against which there is no history of default.

5.5 The maximum aggregate amount due from the related parties at the end of any month during the year are as follows:

	Note	2023 ----- (Rupees in '000) -----	2022
Al-Feroz (Private) Limited		2,346	86
Dolmen (Private) Limited		4,692	85
Retail Avenue (Private) Limited		1,991	66
Sindhbad Wonder Land (Private) Limited		14,036	11,706
		<u>23,065</u>	<u>11,942</u>

6. ADVANCES AND DEPOSITS

Unsecured – considered good	6.1	9,184	2,730
Advance to Central Depository Company		13,989	8,325
Advance to vendors		23,173	11,055
Security deposits		959	959
		<u>24,132</u>	<u>12,014</u>

6.1 This represents advance to CDC for processing of unclaimed dividend payments to unit holders.

7. ADVANCE TAX

Advance tax	7.1	220,318	211,999
Provision for impairment	7.2	(4,728)	(4,728)
		<u>215,590</u>	<u>207,271</u>

7.1 This pertains to tax deducted by tenants due to unavailability of tax exemption certificate at the time of payment of rental and marketing invoices raised by the Scheme.

7.2 This represents advance tax deducted by delinquent tenants whose outstanding balance were fully provided in prior years.

8. SHORT-TERM INVESTMENTS

	Note	2023 ----- (Rupees in '000) -----	2022
At amortized cost			
Term deposit receipts having original maturity			
- less than three months		700,000	617,589
- more than three months		50,700	43,978
	8.1 & 8.1	<u>750,700</u>	<u>661,567</u>

8.1 This represent term deposit receipts (TDRs) with Askari Bank Limited, carrying expected profit rates ranging from 14% to 20% (2022: 14.5% to 15.5%) per annum with maturities upto 20 December 2023.

Notes to the Financial Statements

For the year ended 30 June 2023

9. BANK BALANCES			2023	2022
		Note	----- (Rupees in '000) -----	
	Saving accounts	9.1	1,131,446	950,206
9.1	This represents deposits held in riba free saving accounts carrying expected profit rates ranging from 6.75% to 19% (2022: 3.5% to 15.0%) per annum.			
10. UNIT HOLDER'S FUNDS				
10.1 Issued, subscribed and paid up units				
	2023	2022	2023	2022
	----- Number of Units -----		--- (Rupees in '000) ---	
	1,667,775,000	1,667,775,000	16,677,750	16,677,750
	555,925,000	555,925,000	5,559,250	5,559,250
	2,223,700,000	2,223,700,000	22,237,000	22,237,000
		Ordinary units of Rs 10 each fully paid for consideration other than cash (against property)		
		Fully paid in cash		
10.2 Pattern of unit holding				
	2023		2022	
	Percentage	Units held	Percentage	Units held
Dolmen (Private) Limited	37.5%	833,887,500	37.5%	833,887,500
Al-Feroz (Private) Limited	37.5%	833,887,500	37.5%	833,887,500
General Public	25.0%	555,925,000	25%	555,925,000
	100%	2,223,700,000	100%	2,223,700,000
10.3	The units held by ICPL were transferred to its associated undertakings i.e. Dolmen (Private) Limited and Al Feroz (Private) Limited, as per the scheme of arrangement (refer note 1.2).			
10.4	These fully paid ordinary units carry one vote per unit and equal right to dividend.			
10.5	In addition to above, units held by key management personnel and related parties, aggregated to 63.144 million units (2022: 63.144 million units)			
11. CAPITAL RESERVES				
11.1 Premium on issue of units - net				
	This represents premium received amounted to Rs. 555.925 million against units issued to the general public / others at strike price of Rs. 11 per unit, which had been adjusted with formation costs of Rs. 274.579 million during the year ended 30 June 2015 as permitted by section 81 of the Companies Act, 2017.			
11.2 Fair value reserve				
	The fair value reserve pertains to cumulative net changes in fair value of investment property which is not free for distribution by way of dividend.			

Notes to the Financial Statements

For the year ended 30 June 2023

12	PAYABLE TO REIT MANAGEMENT COMPANY- related party		2023	2022
		Note	------(Rupees in '000)-----	
	Management fee payable		33,246	27,284
	Sindh sales tax on management fee	12.1	6,008	5,234
	Other payable		51	51
		12.2	<u>39,305</u>	<u>32,569</u>

12.1 This includes an amount of Rs. 1.69 million (2022: Rs. 1.69 million) pertaining to Sindh Sales Tax charged on Federal Excise Duty (FED) (refer note 14.3).

12.2 Under the provisions of REIT Regulations, 2022 (previously REIT Regulations, 2015), RMC is entitled to a management fee as stated in the Offering Document and Information Memorandum. The management Company charges fee at the rate of 3% of Net Operating Income (NOI) of the Scheme as per the Business Plan. The management fee is payable on quarterly basis in arrears. The Sindh Government has levied Sindh Sales Tax on the management fee of RMC through Sindh Sales Tax on Services Act 2011, effective from 01 July 2014. The current applicable sales tax rate is 13% being effective from 1 July 2016.

13 SECURITY DEPOSITS

This represents amounts received from tenants of the investment property as security deposit as on 30 June 2023 amounting to Rs. 498 million (2022: Rs. 459 million) under tenancy agreements. These are maintained in a separate bank account, in accordance with the requirements of Section 217 of the Companies Act, 2017.

14	ACCRUED EXPENSES AND OTHER LIABILITIES		2023	2022
		Note	------(Rupees in '000)-----	
	Unearned rental income	14.1	142,260	135,077
	Payable to associated undertakings	14.2	33,874	35,493
	Monitoring fee payable to SECP	19.2	22,237	22,237
	Accrued expenses		24,579	24,764
	Federal excise duty	14.3	11,980	11,980
	Trustee fee	14.4	6,261	5,138
	Sales tax and withholding income tax payable		3,315	48,375
	Shariah advisory fee		124	124
	Takaful fee		-	599
	Other liabilities		2,419	1,205
			<u>247,049</u>	<u>284,992</u>

14.1 This represents advance rent received by the Scheme from various tenants in respect of rental and marketing income. The advance rent from top three tenants amount to Rs. 113 million (2022: Rs. 99 million) constituting 80% (2022: 73%) of total advances received.

14.2	Payable to associated undertakings		2023	2022
			------(Rupees in '000)-----	
	Dolmen Real Estate Management (Private) Limited		31,975	33,594
	Al-Feroz (Private) Limited		950	950
	Dolmen (Private) Limited		949	949
			<u>33,874</u>	<u>35,493</u>

Notes to the Financial Statements

For the year ended 30 June 2023

- 14.3** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the management fee of the RMC has been applied. The RMC is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court ("SHC") through its order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act, 2005 (FED Act) on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the SHC, as directed, will have effect in the manner prescribed in the judgment. Subsequently, the SHC in its decision dated 30 June 2016 on CP No. D-3547 of 2013 in respect of constitutional petition filed by management companies of mutual funds maintained the aforesaid order on the FED.

The Sindh Revenue Board (SRB) and the Federal Board of Revenue (FBR) have filed appeals before Supreme Court of Pakistan (SCP) against the SHC's decision dated 2 June 2016, which is pending for decision. With effect from 01 July 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by Finance Act, 2016. Therefore, the Scheme has discontinued making the provision in this regard. As a matter of abundant caution, without prejudice to the above, an accumulated provision of Rs. 11.980 million (2022: Rs 11.980 million) has been retained in these financial statements.

- 14.4** Under the provision of REIT Regulation 2022, the Trustee is entitled to an annual fee for services rendered, payable on quarterly basis in arrears. Accordingly, the Trustee charged annual fee at a rate of 0.5% of the annual NOI (2022: 0.5% of the annual NOI). The Sindh Government has levied Sindh Sales Tax on the Trustee fee through Sindh Sales Tax on Services Act 2011, effective from 01 July 2015. The current applicable rate is 13% being effective from 1 July 2016.

15 UNCLAIMED DIVIDEND

This represents unclaimed dividend payable to the Federal Government as per the Companies Act 2017 (Act), subject to fulfilment / clarification on certain pre-conditions specified in the Act.

16 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on 30 June 2023 and 30 June 2022.

17 RENTAL INCOME	Note	2023	2022
		----- (Rupees in '000) -----	
Minimum rent		4,070,769	3,500,974
Percentage rent	17.1	247,991	72,690
		<u>4,318,760</u>	<u>3,573,664</u>

- 17.1** This represents rent charged to tenants based on the percentage of sales made over and above the base rent.

18 MARKETING INCOME	2023	2022
	----- (Rupees in '000) -----	
Marketing income	267,473	230,178
Less: Sales tax on marketing income	(9,086)	(8,642)
	<u>258,387</u>	<u>221,536</u>

Notes to the Financial Statements

For the year ended 30 June 2023

19 ADMINISTRATIVE AND OPERATING EXPENSES

		2023	2022
	Note	------(Rupees in '000)-----	
Property management fee	19.1 & 19.4	295,562	244,138
Marketing expenses	19.4	53,557	49,968
Common area maintenance charges	19.4	44,849	46,347
Ancillary income collection fee	19.1 & 19.4	43,274	35,425
Renovation expense	19.4	43,403	40,014
Takaful fee	19.4	31,877	27,311
SECP monitoring fee	19.2	22,237	22,237
Property and advertisement taxes	19.4	18,187	17,303
Legal and professional charges		11,909	8,334
Printing and stationery expense		6,495	4,243
Annual listing fee paid to PSX		2,520	2,455
Auditor's remuneration	19.3	4,701	4,728
Utility expenses	19.4	1,402	1,235
Shariah advisory fee		249	249
Others		49	794
		<u>580,271</u>	<u>504,781</u>

19.1 Property management fee and ancillary income collection fee are charged by Dolmen Real Estate Management (Private) Limited as a Property Manager.

19.2 Under the provision of REIT Regulation, 2022, the Scheme is required to pay an annual fee to SECP equal to 0.1% of annual average REIT Fund.

		2023	2022
	Note	------(Rupees in '000)-----	
19.3 Auditor's remuneration			
Audit Service			
Fee for annual audit		2,200	2,000
Fee for the review of condensed interim financial statements		660	600
Fee for review of code of corporate governance		200	200
Certifications / others		700	650
Out of pocket expenses		240	235
		<u>4,000</u>	<u>3,685</u>
Sindh Sales Tax		320	295
		<u>4,320</u>	<u>3,980</u>
Non Audit Service			
Tax service		381	748
		<u>4,701</u>	<u>4,728</u>

19.4 These represent direct operating expenses arising from investment property.

20 OTHER INCOME

Profit on bank deposits and TDRs	8.1 & 9.1	243,691	126,748
Liability written back		647	-
		<u>244,338</u>	<u>126,748</u>

Notes to the Financial Statements

For the year ended 30 June 2023

21 TAXATION

The Scheme's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Board of Directors of the RMC have distributed more than 90% of the Scheme's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash to avail the exemption through distribution of interim dividends during the year and declaration and distribution of final dividend subsequent to year end (refer note 29). Accordingly, no tax provision has been made in these financial statements for the year ended June 30, 2023.

22 EARNINGS PER UNIT - BASIC AND DILUTED

	Note	2023 ----- (Rupees in '000) -----	2022
Profit for the year		<u>9,291,819</u>	<u>9,762,893</u>
		----- (Number of Units) -----	
Weighted average number of ordinary units		<u>2,223,700,000</u>	<u>2,223,700,000</u>
		----- (Rupees) -----	
Earnings per unit- basic and diluted	22.1	<u>4.18</u>	<u>4.39</u>
22.1 Earning per unit comprises as follows:			
Distributable Income - earnings per unit		<u>1.83</u>	<u>1.47</u>
Undistributable unrealized fair value gains-earnings per unit		<u>2.35</u>	<u>2.92</u>
	22.1.1	<u>4.18</u>	<u>4.39</u>

22.1.1 Under the provision of Trust Deed, the amount available for distribution shall be total of income and realized gain net off expenses. Accordingly, unrealized fair value gain is undistributable.

22.1.2 There is no impact of dilution on earnings per unit as the Scheme did not have any convertible instruments in issue as at 30 June 2023 and 30 June 2022 which would have had any effect on the earnings per unit if the option to convert had been exercised.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flow comprise of the following statement of financial position amounts:

	Note	2023 ----- (Rupees in '000) -----	2022
Short-term investment (with original maturity of less than three months)	8	<u>700,000</u>	<u>617,589</u>
Bank balances	9	<u>1,131,446</u>	<u>950,206</u>
		<u>1,831,446</u>	<u>1,567,795</u>

Notes to the Financial Statements

For the year ended 30 June 2023

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

24.1 Related parties include Arif Habib Dolmen REIT Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee to the Scheme, International Complex Private Limited being an associated company, Dolmen Real Estate Management (Private) Limited, being Property Manager and connected person, associated companies, directors and key executives of the RMC, trustee and promoter of RMC including their close relatives.

Transactions with related parties are in the normal course of business, at agreed terms.

There are no related parties incorporated outside Pakistan with whom the Scheme had entered into transactions during the year.

Details of the transactions with related parties and balances with them, if not disclosed elsewhere in these financial statements are as follows:

24.2 Transactions during the year:

Name of the related Party	Relationship and percentage unitholding	Transactions during the year	2023 ----- (Rupees in '000) -----	2022
Dolmen Real Estate Management (Private) limited	Property Manager	- Common area maintenance charges - Common area maintenance paid - Expenses incurred on behalf of the Scheme - Reimbursement of expenses incurred on behalf of the Scheme - Property Management Fees - Property Management Fees Paid	44,849 51,134 1,797 1,828 338,836 334,140	46,347 39,590 919 918 279,563 244,952
International Complex Projects Limited	Common directorship	- Rental income - Rental received - Dividend paid	- - -	23,461 23,461 1,100,732
Retail Avenue (Private) Limited	Common directorship	- Rental and Marketing income - Amount received	13,826 13,782	10,851 10,851
Al-Feroz (Private) Limited	Associated company holding 37.5% units	- Rental income - Rental received - Dividend paid	28,154 28,154 1,434,287	16,423 16,423 633,755
Dolmen (Private) Limited	Associated company holding 37.5 % units	- Rental income - Rental received - Dividend paid	28,154 23,462 1,434,287	16,423 16,423 633,755
Sindbad Wonderland (Private) Limited	Common directorship	- Rental and Marketing income - Amount received	80,288 73,223	45,755 47,317
Arif Habib Dolmen REIT Management Limited	Management Company	- Expenses incurred on behalf of the Scheme - Reimbursement of expenses incurred on behalf of the Scheme - Management Fee - Management Fee paid	901 901 134,895 128,159	1,485 1,434 111,152 103,747
Central Depository Company Trustee of Pakistan Limited		- Trustee Fee - Trustee Fee paid	22,482 21,359	18,525 28,441

Notes to the Financial Statements

For the year ended 30 June 2023

24.3 Balances outstanding at the year end:

Name of the related party	Relationship and percentage unitholding	Year end balances	2023	2022
			----- (Rupees in '000) -----	-----
Dolmen Real Estate Management (Private) Limited	Property Manager	- Common area maintenance charges	2,560	8,845
		- Expenses payable incurred on behalf of the Scheme	1,752	1,783
		- Payable of withheld security deposit of tenants	458	458
		- Property Management Fee Payable	29,415	24,749
Al-Feroz (Private) Limited	Associated company holding 37.5% units	- Rent receivable	85	86
		- Net payable in respect of purchase consideration of investment property	910	910
		- Payable against purchase of equipment for maintenance	40	40
Dolmen (Private) Limited	Associated company holding 37.5% units	- Rent receivable	4,692	85
		- Net payable in respect of purchase consideration of investment property	909	909
		- Payable against purchase of equipment for maintenance	40	40
Retail Avenue (Private) Limited	Common directorship	- Rent and Marketing receivable	45	66
Sindbad Wonderland (Private) Limited	Common directorship	- Rent and Marketing receivable	7,065	466
Arif Habib Dolmen REIT Management Limited	Management Company	- Expenses payable incurred on behalf of the Scheme	51	51
		- Management Fee payable	39,254	32,518
Central Depository Company of Pakistan Limited	Trustee	- Trustee Fee payable	6,261	5,138

25 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITY

	2023			Total
	Liability	Equity		
	Unclaimed dividend	Capital	Reserve	
	----- (Rupees in '000) -----			
Balance as at 1 July	13,235	22,237,000	41,792,292	64,029,292
Profit for the year	-	-	9,291,819	9,291,819
Changes from financing cash flows				
Dividend paid	(3,823,172)	-	-	-
	(3,823,172)	-	-	-
Liability - related other changes				
Dividend declared	3,824,764	-	(3,824,764)	(3,824,764)
	3,824,764	-	(3,824,764)	(3,824,764)
Balance as at 30 June	14,827	22,237,000	47,259,347	69,496,347

Notes to the Financial Statements

For the year ended 30 June 2023

	Liability	2022 Equity		Total
	Unclaimed dividend	Capital	Reserve	
	----- (Rupees in '000) -----			
Balance as at 1 July	11,800	22,237,000	35,187,053	57,435,853
Profit for the year	-	-	9,762,893	9,762,893
Changes from financing cash flows				
Dividend paid	(3,156,219)	-	-	(3,156,219)
	(3,156,219)	-	-	(3,156,219)
Liability - related other changes				
Dividend declared	3,157,654	-	(3,157,654)	-
	3,157,654	-	(3,157,654)	-
Balance as at 30 June	13,235	22,237,000	41,792,292	64,042,527

26 FINANCIAL RISK MANAGEMENT

26.1 Financial risk management framework

The Scheme's activities are exposed to a variety of financial risks namely credit risk, liquidity risk, and market risk. The Scheme manage these risk through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Scheme's constitutive documents and REIT Regulation, 2022 and directives of the SECP. The Board of Directors of RMC supervises the overall risk management approach within the Scheme.

26.2 Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Scheme attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties that arises principally from the Scheme's receivables, security deposits, short-term investments and deposits with banks.

The carrying amount of the financial assets represents maximum exposure to credit risk as at 30 June:

Financial Asset	2023	2022
	----- (Rupees in '000) -----	
Receivables	106,175	158,467
Security deposit	959	959
Profit accrued on deposit	20,314	8,671
Short-term investments	750,700	661,567
Bank balances	1,131,446	950,206
	2,009,594	1,779,870

The RMC and property manager monitors tenants' balances on an ongoing basis. Credit evaluations are performed by the property manager before lease agreements are entered into with tenants.

The exposure of credit risk and ECL relating to receivables and impairment loss on receivables have been disclosed in note 5 to these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2023

The Scheme has placed its funds (i.e. short-term investments and bank balances) with banks having sound credit ratings. The credit quality of Scheme's major balances can be assessed with reference of external credit ratings which is as follows:

Bank	2023				
	Rating Agency	Short term rating	Long term rating	(Rupees in '000)	% of total balance
Dubai Islamic Bank	VIS	A-1+	AA	1,045,854	55.57%
Askari Bank Limited	PACRA	A-1+	AA+	758,674	40.31%
National Bank of Pakistan	PACRA	A-1+	AAA	43,679	2.32%
Habib Bank Limited	VIS	A-1+	AAA	33,681	1.79%
Faysal Bank Limited	PACRA	A-1+	AA	173	0.01%
Meezan Bank Limited	VIS	A-1+	AAA	45	0.00%
Bank Al Habib Limited	PACRA	A-1+	AAA	23	0.00%
United Bank Limited	VIS	A-1+	AAA	17	0.00%
				1,882,146	100%

Bank	2022				
	Rating Agency	Short term rating	Long term rating	(Rupees in '000)	% of total balance
Dubai Islamic Bank	VIS	A-1+	AA	183,129	11.36%
Askari Bank Limited	PACRA	A-1+	AA+	672,055	41.70%
National Bank of Pakistan	PACRA	A-1+	AAA	746,518	46.31%
Habib Bank Limited	VIS	A-1+	AAA	7,084	0.44%
Faysal Bank Limited	PACRA	A-1+	AA	2,231	0.14%
Meezan Bank Limited	VIS	A-1+	AAA	8	0.00%
Bank Al Habib Limited	PACRA	A-1+	AAA	733	0.05%
United Bank Limited	VIS	A-1+	AAA	15	0.00%
				1,611,773	100%

26.3 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

	2023			
	Carrying amount	Contractual cash flows	One year or less	More than one year
	(Rupees in '000)			
Financial liabilities				
Payable to REIT Management Company - related party	39,305	39,305	39,305	-
Security deposits	497,688	497,688	497,688	-
Accrued expenses and other liabilities*	89,494	89,494	89,494	-
Unclaimed dividend	14,827	14,827	14,827	-
	641,314	641,314	641,314	-

*Other liabilities that are not financial liabilities (unearned income, sales tax and withholding income tax payable and federal excise duty amount to Rs. 142 million, Rs. 3 million and Rs. 12 million)

Notes to the Financial Statements

For the year ended 30 June 2023

	2022			
	Carrying amount	Contractual cash flows	One year or less (Rupees in '000)	More than one year
Financial liabilities				
Payable to REIT Management Company - related party	32,569	32,569	32,569	-
Security deposits	459,297	459,297	459,297	-
Accrued expenses and other liabilities*	89,560	89,560	89,560	-
Unclaimed dividend	13,235	13,235	13,235	-
	<u>594,661</u>	<u>594,661</u>	<u>594,661</u>	<u>-</u>

*Other liabilities that are not financial liabilities (unearned income, sales tax and withholding income tax payable and federal excise duty amount to Rs. 135 million, Rs. 48 million and Rs. 12 million)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The Scheme manages liquidity risk by maintaining sufficient cash in bank accounts. At 30 June 2023, the Scheme had financial assets of Rs. 2,010 million (2022: Rs. 1,780 million), which include Rs 1,131 million (2022: Rs 950 million) of cash placed in bank accounts.

26.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprise of three types of risks: currency risk, interest rate risk and other price risk.

26.4.1 Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises where receivables and payable exist due to transactions in foreign currency. The Scheme is not exposed to currency risk as of reporting date. There are no foreign currency denominated financial instruments held by the Scheme.

26.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from bank balances and investments in term deposit receipts (TDRs) in profit or loss.

The Scheme does not have any fixed rate financial instrument at fair value through profit or loss, therefore, the Scheme is not exposed to fair value changes for fixed rate instruments. However the bank and term deposit at variable rates expose the Scheme to fluctuations in cash flow due to change in market profit rates. The cash flow sensitivity analysis for variable rate of instrument is depicted below:

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 by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as carried out as June 2022.

Notes to the Financial Statements

For the year ended 30 June 2023

	Profit		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	----- (Rupees in '000) -----			
As at 30 June 2023				
Cash flow sensitivity - variable rate instruments	<u>18,821</u>	<u>(18,821)</u>	<u>18,821</u>	<u>(18,821)</u>
As at 30 June 2022				
Cash flow sensitivity - variable rate instruments	<u>16,118</u>	<u>(16,118)</u>	<u>16,118</u>	<u>(16,118)</u>

26.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Scheme is not exposed to other price risk.

27 CAPITAL RISK MANAGEMENT

Management's objective when managing unit holder's funds is to safeguard the Scheme's ability to continue as a going concern so that it can continue to provide optimum returns based on income earned and realized gains as per trust deed to its unit holders and to ensure reasonable safety of unit holder's funds. The Scheme is not exposed to externally imposed minimum unit holder's maintenance requirement.

The Scheme manages its investment property and other assets by monitoring return on net assets and makes adjustment to it in the light of changes in market conditions. The Scheme also manages its capital using a gearing ratio. The gearing ratio of the Scheme is as follows:

	2023	2022
	----- (Rupees in '000) -----	
Debt	-	-
Total unit holders' fund	<u>69,496,347</u>	<u>64,029,292</u>
Total capital	<u>69,496,347</u>	<u>64,029,292</u>
Gearing ratio	<u>-</u>	<u>-</u>

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

When measuring the fair value of an asset or a liability, the Scheme uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

28.1 Accounting classifications and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the Financial Statements

For the year ended 30 June 2023

		2023					Fair value			
Note		Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets - not measured at fair value										
	Receivables	28.1.1	-	-	106,175	-	106,175			
	Security deposit	28.1.1	-	-	959	-	959			
	Profit accrued on deposit	28.1.1	-	-	20,314	-	20,314			
	Short-term investments	28.1.1	-	-	750,700	-	750,700			
	Bank balances	28.1.1	-	-	1,131,446	-	1,131,446			
			-	-	2,009,594	-	2,009,594			
Financial liabilities - not measured at fair value										
	Payable to REIT Management Company - related party	28.1.1	-	-	-	39,305	39,305			
	Security deposits	28.1.1	-	-	-	497,688	497,688			
	Accrued expenses and other liabilities	28.1.1	-	-	-	89,494	89,494			
	Unclaimed dividend	28.1.1	-	-	-	14,827	14,827			
			-	-	-	641,314	641,314			
		2022					Fair value			
Note		Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets - not measured at fair value										
	Receivables	28.1.1	-	-	158,467	-	158,467			
	Security deposit	28.1.1	-	-	959	-	959			
	Profit accrued on deposit	28.1.1	-	-	8,671	-	8,671			
	Short-term investments	28.1.1	-	-	661,567	-	661,567			
	Bank balances	28.1.1	-	-	950,206	-	950,206			
			-	-	1,779,870	-	1,779,870			
Financial liabilities - not measured at fair value										
	Payable to REIT Management Company - related party	28.1.1	-	-	-	32,569	32,569			
	Security deposits	28.1.1	-	-	-	459,297	459,297			
	Accrued expenses and other liabilities	28.1.1	-	-	-	89,560	89,560			
	Unclaimed dividend	28.1.1	-	-	-	13,235	13,235			
			-	-	-	594,661	594,661			

28.1.1 The Scheme has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

28.1.2 Fair value hierarchy of the investment property has been disclosed in note 4 to these financial statements.

29 EVENTS AFTER REPORTING DATE

The Board of Directors of the RMC in their meeting held on 18 July 2023 have declared and approved final cash dividend for the year ended 30 June 2023 of Re. 0.5 per unit (2022: Re. 0.41 per unit) amounting to Rs 1,111.85 million (2022: Rs. 911.72 million). The financial statements do not include the effect of above announcement which will be accounted for in the financial statements of the Scheme for the year ending 30 June 2024.

30 DATE OF AUTHORISATION FOR ISSUE

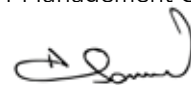
These financial statements were authorized for issue by the Board of Directors of the REIT Management Company on October 27, 2023.



Chief Financial Officer



Chief Executive Officer

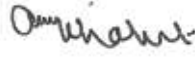


Director

اعتراف:

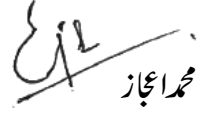
ہم DCR کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج کی انتظامیہ، DCR کے ٹرسٹیوں، پراپرٹی مینجراور کاروباری شراکت داروں کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔ ہم انتظامی ٹیم کی کوششوں کا اعتراف کرتے ہیں۔

برائے ومنجانب



عارف حبیب

چیرمین



چیف ایگزیکٹو

27 اکتوبر 2023، کراچی۔

آڈیٹرز:

موجودہ بیرونی آڈیٹرز میسرز KMPG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، سبکدوش ہو جائیں گے اور اہلیت کے باعث انہوں نے سال 30 جون 2024 کیلئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بیرونی آڈیٹرز کو انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ حاصل ہے۔ RMC کی آڈٹ کمیٹی کی تجویز پر RMC کے بورڈ نے میسرز KMPG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی DCR کے آڈیٹرز کی حیثیت سے مالیاتی سال 30 جون 2024 کے لئے باہمی طے شدہ فیس پر دوبارہ تقرری کی سفارش کی ہے۔

ڈائریکٹران کے انتخابات:

کمپنیز ایکٹ 2017 کی دفعہ 161 (منسوخ شدہ کمپنیز ایکٹ 1984 کی دفعہ 180) کی شقوں کے مطابق اکتوبر 2018 میں RMC کے 8 منتخب ڈائریکٹران کے عہدے کی مدت مکمل ہو گئی تھی اور تمام ڈائریکٹر سبکدوش ہو گئے تھے۔ ڈائریکٹران کے نئے انتخابات 26 اکتوبر 2021 کو منعقد ہوئے اور بورڈ کی جانب سے ڈائریکٹران کی طے کردہ تعداد (آٹھ ڈائریکٹران) بلا مقابلہ منتخب ہوئے۔ مزید برآں چیئرمین، چیف ایگزیکٹو اور بورڈ کی ذیلی کمیٹیوں میں اسی تاریخ کو تقرریاں کی گئیں۔

میزانے کے بعد کے واقعات:

30 جون 2023 سے لے کر اس رپورٹ کی تاریخ تک کوئی اہم تبدیلیاں رونما نہیں ہوئیں سوائے حتمی منافع منقسمہ کے اعلان کے جسے 0.50 روپے فی یونٹ یعنی 5.00 فیصد کے حساب سے تقسیم کیا گیا تھا۔ یہ عبوری منافع منقسمہ کے علاوہ تھا جس کا اعلان 1.31 روپے فی یونٹ یعنی 13.10 فیصد کے حساب سے تقسیم کیا گیا تھا۔ اس کے اثرات کی عکاسی اگلے سال کے مالیاتی گوشواروں میں ہوگی۔

ملحقہ پارٹیوں کے سودے:

REIT کے ضوابط اور ادارتی نظم و ضبط کی ضروریات کی پاسداری کرتے ہوئے DCR نے ملحقہ پارٹیوں کیس اتھ تمام سودے آڈٹ کمیٹی اور بورڈ کے جائزہ کے لئے ان کے روبرو پیش کئے۔ ان سودوں کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اپنے متعلقہ اجلاسوں میں منظور کیا۔ ملحقہ پارٹیوں کے ساتھ سودوں کو آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 24 میں منکشف کیا گیا ہے۔

یونٹ ہولڈنگ کی ساخت:

DCR کے یونٹس پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔ 30 جون 2023 کو DCR کے 4,854 یونٹ ہولڈرز تھے۔ یونٹ ہولڈنگ کی تفصیلی ساخت اور DCR کی یونٹ ہولڈنگ کی اقسام بشمول ڈائریکٹران اور ایگزیکٹیو اگر کوئی ہوں تو بطور منسلک II شامل کی گئی ہیں۔

یونٹ ہولڈرز کی اقسام	یونٹوں کی تعداد	%
ڈائریکٹران اور ان کی شریک حیات اور نابالغ بچے	16,235,482	0.72
ملحقہ کمپنیاں، اقرارنامے اور ملحقہ پارٹیاں	1,706,081,152	76.72
ICP اور NIT	-	-
بینک، DFIs، NBFCs	316,017,333	14.21
انشورنس کمپنیاں	5,044,018	0.23
مضاربہ اور میوچل فنڈز	1,899,000	0.09
عام عوام		
- مقامی	155,926,337	7.01
- غیر ملکی	3,461,272	0.16
دیگر	19,035,406	0.86
کل	2,223,700,000	100 فیصد

مالیاتی اور کاروباری جھلکیاں:

اہم کاروباری اور مالیاتی اعداد و شمار مختصراً ”مالیاتی اور کاروباری جھلکیوں“ کی سرخی کے تحت مختلف خاکوں کے ساتھ پیش کئے گئے ہیں۔

آڈٹ کمیٹی:

ادارتی نظم و ضبط کے تحت آڈٹ کمیٹی نے بورڈ کے تعین کردہ ذمہ داریوں کے تحت اپنے فرائض انجام دیئے۔

تفہیل بندی:

نام	عہدہ
جناب عارف حبیب	چیرمین
جناب ندیم ریاض	نان ایگزیکٹو ڈائریکٹر
جناب نعیم الیاس	آزاد ڈائریکٹر
محترمہ طیبہ رشید	آزاد ڈائریکٹر
جناب محمد نعمان اختر	آزاد ڈائریکٹر
جناب عبدالصمد اے حبیب	نان ایگزیکٹو ڈائریکٹر
جناب فیصل ندیم	نان ایگزیکٹو ڈائریکٹر
جناب ساجد اللہ شیخ	نان ایگزیکٹو ڈائریکٹر
جناب محمد اعجاز	چیف ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب نعیم الیاس	چیرمین
جناب نعمان اختر	ممبر
جناب صمد اے حبیب	ممبر
جناب ساجد اللہ شیخ	ممبر

انسانی وسائل اور معاوضہ کمیٹی:

محترمہ طیبہ رشید	چیرپرسن
جناب عبدالصمد اے حبیب	ممبر
جناب ساجد اللہ شیخ	ممبر
جناب محمد اعجاز	ممبر

5	جناب محمد نعمان اختر	8	6	-
6	جناب صمد اے حبیب	6	4	1
7	جناب فیصل ندیم	4	-	-
8	جناب ساجد اللہ شیخ	6	6	1
9	جناب محمد اعجاز	7	-	1

ڈائریکٹران کا معاوضہ:

RMC کے نان ایگزیکٹیو ڈائریکٹران (بشمول آزاد ڈائریکٹران) سوائے ان ڈائریکٹران کے جو عارف حبیب گروپ کی دیگر کمپنیوں میں بطور ایگزیکٹیو ڈائریکٹران کام کر رہے ہیں، انہیں بورڈ اور کمیٹی کے اجلاس میں حاضر ہونے کا معاوضہ دیا جاتا ہے جو بورڈ وقتاً فوقتاً منظور کرتا ہے۔

چیف ایگزیکٹو آفیسر بورڈ میں واحد ایگزیکٹو ڈائریکٹر ہیں۔ مزید جب اور جیسے بورڈ کسی نان ایگزیکٹیو ڈائریکٹر کو کوئی اضافی کردار اور ذمہ داریاں سونپتا ہے تو بورڈ اس کی سوچی گئی ذمہ داریوں اور کردار کے مطابق اس کے معاوضہ کا تعین کرتا ہے۔

اسکیم خصوصی طور پر RMC کو مینجمنٹ فیس ادا کرنے کی پابند ہے، اور اس وجہ سے ڈائریکٹرز کے معاوضے سے متعلق فنڈ کے مالی بیانات پر کوئی اثر نہیں پڑتا ہے۔

بورڈ کی تشکیل بندی:

بورڈ کی موجودہ تشکیل بندی درج ذیل ہیں:

(a) مرد 8

(b) خواتین 1

بورڈ اقرار کرتا ہے کہ DCR کی حسابات کی کتابیں درست انداز میں تیار کی گئی ہیں اور مناسب حساباتی پالیسیوں کو اختیار کیا گیا ہے اور مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ انہیں ملحوظ خاطر رکھا گیا ہے سوائے ان تبدیلیوں کے جنہیں مالیاتی گوشواروں کے نوٹ 2.4 میں بتایا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔ مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں ملحوظ خاطر رکھا گیا ہے۔ اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔ DCR کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور NAV میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔ ٹیکسز، ڈیوٹیز، محصولات یا دیگر کی مد میں کوئی قابل ذکر رقم واجب الادا نہیں ہے۔

ضابطہ کی پاسداری کے تحت بورڈ اس بات کا اعادہ کرتا ہے کہ DCR کے چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے اور ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں ہوا۔

DCR کی ہمیشہ کوشش رہی ہے کہ بہتر ادارتی نظم و ضبط کیلئے شفاف اور درست طور طریقے اختیار کرے۔

ڈائریکٹران اور اعلیٰ انتظامی عہدیداران کی اسکیم کے حصص میں خرید و فروخت:

DCR کے حصص میں RMC کے ڈائریکٹران، چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات اور کم عمر فیملی ممبران نے خرید و فروخت کی ہے اسے منسلکہ 1 کے تحت شامل کیا گیا ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاس میں ڈائریکٹران کی حاضری:

سال مختتمہ 30 جون 2023 کے دوران بورڈ کے آٹھ (8) اجلاس ہوئے۔ آڈٹ کمیٹی کے چھ (6) اجلاس اور انسانی وسائل اور معاوضہ کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس	آڈٹ کمیٹی	انسانی وسائل اور معاوضہ کمیٹی
1	جناب عارف حبیب	8	-	-
2	جناب ندیم ریاض	3	-	-
3	جناب نعیم الیاس	8	6	-
4	محترمہ طیبہ رشید	8	-	1

منظر نامہ سے DCR کے منفعت میں مسابقت پیدا ہوگی تاہم طویل مدت میں REIT کے یونٹ مستحکم منفعت فراہم کریں گے اور افراط زر کی تلافی کرتے ہوئے سرمایہ کاروں کی منفعت میں مسلسل اضافہ ہوگا۔ (iii) موجودہ کرایہ داروں کی نادر ہندگی کو ڈالمن سٹی میں بہت معمولی خطرہ تصور کیا جاتا ہے کیونکہ بے کرایہ داروں میں زیادہ تر یا تو کثیر القومی کمپنیاں ہیں یا بڑے فریجنرز ہیں اور DCR کا پراپرٹی مینجر نہ صرف سخت چھان بین، پروفائلنگ اور کرایہ جاتی پالیسیاں اختیار کرتا ہے بلکہ ہر کرایہ دار کے ساتھ خوشگوار تعلقات قائم رکھتا ہے اور ان کی نگرانی کرتا ہے۔

مستقبل کی پیش بینی:

ڈالمن سٹی اب بھی برانڈز اور کاروباری اداروں کے لیے اعلیٰ معیار کے دفتر کی جگہ کی تلاش میں سرفہرست انتخاب ہے۔ مستقبل قریب میں ایسی کوئی نئی جگہیں دستیاب ہونے کی توقع نہیں ہے، خاص طور پر اعلیٰ درجے کے دفتر اور خوردہ شعبے میں۔ نتیجے کے طور پر توقع کی جاتی ہے کہ ڈالمن سٹی مارکیٹ میں اپنی اہم پوزیشن برقرار رکھے گا۔

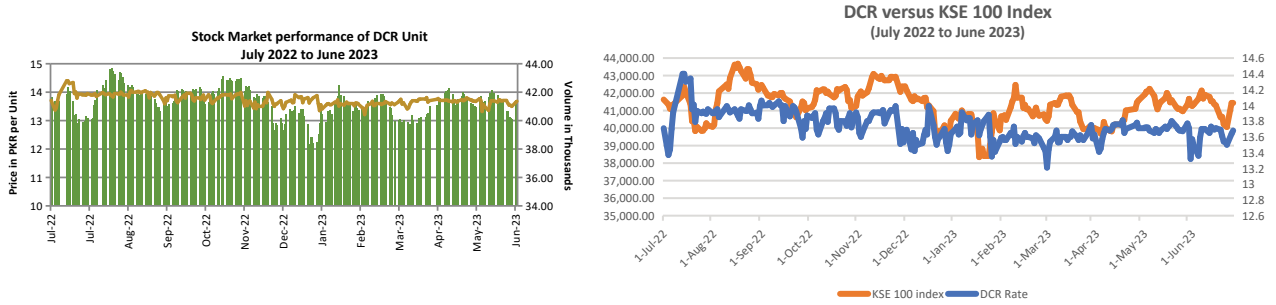
ڈالمن سٹی REIT جائیداد سے متصل دو نئے ٹاورز کا اضافہ اور ان کی قبضہ کرایہ داری کی شرح اعلیٰ معیار کی جگہ کی مضبوط مانگ کا واضح ثبوت ہے۔ مزید برآں نئے ٹاورز میں سے ایک میں بین الاقوامی ہوٹل چین کی آئندہ شمولیت سے برانڈز اور کاروبار کے لئے ترجیحی مقام کے طور پر جائیداد کی کشش میں اضافہ ہوگا۔ مزید برآں، ہوٹل کی ترقی سے منسلک سہولیات کے اضافے سے توقع کی جاتی ہے کہ ڈالمن سٹی کو ان کے دفتر کی جگہ کے طور پر منتخب کرنے کے لیے مزید کاروباروں کو راغب کریں گے۔

ماضی میں بڑی حد تک معاشی عدم استحکام کے ساتھ، ہم استحکام کے دور کی توقع کرتے ہیں، جس کے بعد مجموعی کاروباری ماحول میں ترقی ہوگی۔ مال میں ماہانہ قدموں کی آمد گزشتہ سال کے مقابلے میں زیادہ رہی، جو ایک مثبت رجحان کی نشاندہی کرتی ہے جس سے مال میں قبضہ کرایہ داری کی ایک مستحکم سطح کو برقرار رکھنے میں مدد ملے گی۔

ادارتی نظم و ضبط:

DCR پاکستان کی پہلی ترقیاتی REIT اسکیم ہے جو پاکستان اسٹاک ایکسچینج میں درج ہے۔ RMC کا بورڈ اور انتظامیہ ادارتی نظم و ضبط پر عملدرآمد کے لئے کوشاں ہیں اور اپنی ذمہ داریوں جیسے آپریشنز اور کارکردگی کی نگرانی، مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت سے مکمل طور پر آگاہ ہیں۔

سال ختمہ 30 جون 2023 میں DCR کے فی یونٹ کی خالص اثاثی قدر (NAV) 31.25 روپے (یعنی 30 جون 2022 کو 28.79 روپے تھی) رہی۔ سال کے اختتام پر 30 جون 2023 کو یونٹ کی قیمت 13.68 روپے رہی جس میں خرید و فروخت اپنے NAV کے 43.78 فیصد رعایتی نرخ پر رہی۔



کاروباری ماحول:

مالی سال 2023 میں پاکستان کی خراب معاشی صورتحال کے باوجود، درآمدی کنٹرول کے نفاذ سے مقامی صنعت کے ذریعے مصنوعات کے متبادل میں قابل ذکر اضافہ ہوا۔ مزید برآں، ضروری فصلوں کی پیداوار میں اضافے کی وجہ سے ایک مثبت زرعی نقطہ نظر سامنے آیا ہے۔

توقع ہے کہ درآمدی پابندیوں میں معمولی نرمی سے صنعتی شعبے کی بحالی میں مدد ملے گی، خاص طور پر بڑے پیمانے پر مینوفیکچرنگ میں۔ اس کے نتیجے میں، زراعت اور صنعتی شعبوں کو مضبوط بنانے پر مثبت اثرات مرتب ہونے کی توقع ہے، بالآخر تھوک اور خوردہ فروشی سمیت متعلقہ خدمات کے شعبوں کی بحالی میں مدد ملے گی۔ (بحوالہ ورلڈ بینک کنٹری جائزہ، اکتوبر 2023)

زرعی پیداوار میں بہتری کی وجہ سے افراط زر میں کمی متوقع ہے، اور مالیاتی ریگولیٹرز اور سیکیورٹی ایجنسیوں کی جانب سے بلیک مارکیٹ کی کارروائیوں کو روکنے کے لیے اقدامات کیے جانے کے بعد سے ملکی کرنسی میں نمایاں بحالی ہوئی ہے۔ (رائٹرز)

نتیجے کے طور پر، ہمیں اگلے چند مہینوں میں خوردہ فروشی کے اخراجات میں بہتری کی توقع ہے۔

کاروباری خطرات کا اختصار یہ:

DCR کا کاروبار پائیدار رہائشی سطح کے لحاظ سے حساس ہے۔ بنیادی خطرات میں (i) دفاتر اور خوردہ فروشی کی سپلائی میں قابل ذکر اضافہ جس کے تحت علاقہ میں رہائشی قیمتوں میں کمی آئے گی۔ تاہم ایسی پیش قدمیوں میں سہولیات پر تصفیہ کرنا پڑے گا تاکہ سستے یونٹ فراہم کئے جاسکیں جبکہ DCR اس صنعت میں جگہ کیلئے پہلے ہی رہائشیوں کی اہمیت سے آگاہ ہے۔ (ii) بڑھتی ہوئی شرح سود کے

عید الاضحیٰ:

ملک بھر میں سب سے زیادہ پر جوش مذہبی تہوار عید الاضحیٰ ہے۔ مہم کا مقصد تھیماتی ماحول اور سجاوٹ کے ذریعے صارفین کے تجربے کو بڑھانے اور بہتر بنانے کے لیے زیادہ قدموں کی آمد کے دنوں کے موقع سے فائدہ اٹھانا ہے۔

منافع منقسمہ کی تقسیم:

بورڈ آف ڈائریکٹرز نے سال کے پہلے نو ماہ میں 1.31 روپے فی یونٹ یعنی 13.10 فیصد کے حساب سے ہر سہ ماہی میں برابری کے تناسب سے منافع منقسمہ کا اعلان اور اسے تقسیم کیا۔ سال کے اختتام پر بورڈ نے 0.50 روپے فی یونٹ یعنی 5.00 فیصد کے حتمی منافع منقسمہ کا اعلان کیا اور اسے تقسیم کیا۔ اس طرح مجموعی طور پر DCR نے کل منافع منقسمہ 1.81 روپے فی یونٹ کا اعلان کیا اور تقسیم کیا جس کی بنیاد مساواتی قدر 18.10 فیصد تھی اور IPO سرمایہ کاروں کو 11 روپے فی یونٹ کی اسٹرائٹک پرائس پر 16.45 فیصد منافع منقسمہ ادا کیا گیا۔ سال مختتمہ 30 جون 2023 میں کل ادا شدہ منافع منقسمہ قابل تقسیم آمدنی 4,024.90 ملین روپے کا 98.99 فیصد رہا۔

شریعہ کی پاسداری:

شریعہ کے رہنما اصولوں کی پاسداری کے تحت فنڈ کے جائیداد کے کاروبار کو عالمی اور مشہور زمانہ ری ٹکافل سنڈکیٹ سے الحاق شدہ "A" ریٹنگ کی حامل پاکستانی کمپنیوں کی ٹکافل پالیسیوں کے ذریعے تحفظ فراہم کیا گیا۔ شریعہ مشیر نے اپنی سالانہ شریعہ جائزہ رپورٹ میں تمام پہلوؤں سے شریعت کے اصولوں کی پاسداری کی تصدیق کی ہے۔

حصص کی کارکردگی:

جائزہ سال کے بارہ ماہ کے دوران "DCR" کی پاکستان اسٹاک ایکسچینج میں اوسطاً یونٹ پرائس 13.74 روپے پر خرید و فروخت ہوئی (جو کہ گزشتہ سال اوسطاً 12.79 روپے تھی) اور بلند ترین 14.40 روپے اور کم ترین 13.21 روپے فی یونٹ رہی۔ اسی مدت کے دوران KSE 100 انڈیکس 38,342.21 سے 43,676.56 کی حدود کے درمیان رہا۔ شدید اتار چڑھاؤ کی حامل مارکیٹ میں DCR کا یونٹ 0.27 بیٹا کے ساتھ واضح طور پر مستحکم رہا (جس سے مراد یہ ہے کہ اگر KSE-100 انڈیکس میں 100 فیصد تبدیلی ہوئی ہے تو DCR میں صرف 2.70 فیصد تبدیلی رہی، بیٹا سے یہاں پر کم اتار چڑھاؤ اور لچک پذیری کی عکاسی ہوتی ہے) اور جس کا ہم تغیر مارکیٹ میں صرف 0.21 رہا (جو کہ پر خطر اثاثوں پر منفعت کی پیمائش ہے جس میں DCR کے اسٹاک کی کارکردگی کی مارکیٹ کی کارکردگی سے ہم ربط کم مثبت کی نشاندہی کرتا ہے)۔

لان فیسٹیول:

ڈالین مال نے لان کے نئے کلکیشن کو اجاگر کرنے کے لیے اپنا سالانہ لان فیسٹیول کا انعقاد کیا۔

تقریب کا بنیادی مقصد یہ تھا:

- خریدار کو ایک چھت کے نیچے اپنے پسندیدہ لان کے کلکیشن کی خریداری کا موقع فراہم کرنا۔
- نمائش کے ذریعے خریدار کے تجربے میں اضافہ کرنا۔
- ہمارے برانڈ شراکت داروں کے لان لانچز کو فروغ دینا اور خریداروں کی توجہ کو راغب کرنا۔

وو میزڈے:

اس کا بنیادی مقصد یہ تھا کہ ہمارے معاشرے کی خواتین میں شعور اجاگر کرنے کیلئے مختلف قسم کی سرگرمیوں اور پروگراموں کا انعقاد کیا جائے اور انہیں ان کا مستقبل سنوارنے کیلئے ان کی حوصلہ افزائی کی جائے، تاکہ وہ اپنے مستقبل کیلئے آگے بڑھیں اور اپنی صلاحیتوں کو بروئے کار لائیں۔ سب سے بڑھ کر بنیادی توجہ ہمارے معاشرے میں ان کی اہمیت پر زور دینا تھی۔

توجہ درج ذیل پر مرکوز تھی:

- مال میں آنے والی خواتین کو خواتین پر مبنی مصنوعات، رعایتوں اور پیشکشوں کے ساتھ نشانہ بنانے کے لیے برانڈز کو ایک پلیٹ فارم فراہم کرنا۔
- موضوعاتی سجاوٹ کے ذریعے جشن کا ماحول پیدا کرنا۔
- خواتین میں با اختیار بنانے کے احساس کو اجاگر کرنے کے لیے خواتین کا عالمی دن منانا۔

رمضان:

رمضان خود شناسی اور روحانی تجدید کا وقت ہے، اور اس مقدس مہینے کو منانے کے لیے مال میں دلکش روشنیوں کے ڈسپلے سے بڑھ کر اور کیا شاندار طریقہ ہو سکتا ہے۔ اس سال ہماری رمضان مہم پورے مال میں ایک جادوئی، اچھی طرح سے روشن ماحول قائم کرنے پر مرکوز ہے، جو خریداروں کے تناؤ کو دور کرنے، آرام کرنے اور اپنے عزیزوں کے ساتھ لطف اندوز ہونے کا موقع فراہم کرتی ہے۔

مدرزڈے:

مال میں ماؤں کو خراج تحسین پیش کرنے کے لیے مدرزڈے منایا گیا۔

بیوٹی فیسٹیول:

بیوٹی فیسٹیول خوبصورتی اور ذاتی نگہداشت کی صنعت کے سرفہرست برانڈز کو ایک چھت کے نیچے جمع ہے۔ یہ صارفین کو مختلف برانڈز کے ماہرین کے ساتھ مشغول ہونے، سرگرمیوں میں حصہ لینے اور مشہور شخصیات اور بلاگرز کے ساتھ بات چیت کرنے کا موقع فراہم کرتا ہے۔ یہ ایونٹ خوبصورتی اور ذاتی نگہداشت کے شوقین افراد کے لیے ایک جامع اور عمیق تجربہ پیش کرتا ہے۔

ڈالمین شاپنگ فیسٹیول:

ڈالمین شاپنگ فیسٹیول 27، نہ صرف ڈالمین مالز بلکہ پاکستان کی پوری مال انڈسٹری کے لیے سال کا سب سے بڑا شاپنگ فیسٹیول تھا۔ 29 واں DSF مورخہ 17 دسمبر 2022 کو شروع ہوا اور 8 جنوری 2023 کو ختم ہوا۔ تقریب درج ذیل پر مشتمل ہے:

- تھیمیاتی مال کا ماحول
- ایکٹیویشنز اور تخلیقی تنصیبات
- تفریح اور کھیل
- بیرونی مواصلات اور کمیونٹی کی مصروفیت
- لکی ڈراز اور دلچسپ تحائف

اس تقریب کا مقصد خریداروں کو میگا لکی ڈرا گفٹ، گیمز اور تفریح سے فراہم کرنا ہے۔ یہ تمام کوششیں ڈالمین مال کے ساتھ صارفین کے لیے ایک یادگار مال کا سفر تخلیق کرنے اور انھیں مزید خریداری کرنے کی ترغیب دینے کے لیے ہیں۔

گفٹ ایٹ:

موسمی تہواروں کو مال کی اندرونی سرگرمیوں کے ساتھ مربوط کرنے کیلئے تقریب ”گفٹ ایٹ“ کا انعقاد 10 سے 14 فروری تک کیا گیا۔ یہ تقریب نئے موسم کا بہترین استقبال ہے جو ہر کسی کے لیے خوشی کا باعث ہے۔

- مال کے تجربے کو بڑھانے کے لیے ایک پرکشش ماحول بنانا۔
- مقامی خریدار کے لیے روایتی تنوع کے ساتھ دنیا بھر کی تقریبات کو متاثر کرنا۔
- نمائشوں کے ذریعے خریدار کے تجربے میں اضافہ کرنا۔

تقریب درج ذیل پر مشتمل تھی:

- موضوعاتی ماحول۔
- بچوں کی مرکزی تشہیری سرگرمیاں۔
- بچوں کی سرگرمیاں اور تفریحی تقریبات

تقریب کے شرکاء:

- کینڈی لینڈ۔ ہلال۔ یو ایچ یو۔ فیبرکیسل
- نیپبل۔ لبرٹی بکس۔ پیڈیا شور

یوم آزادی:

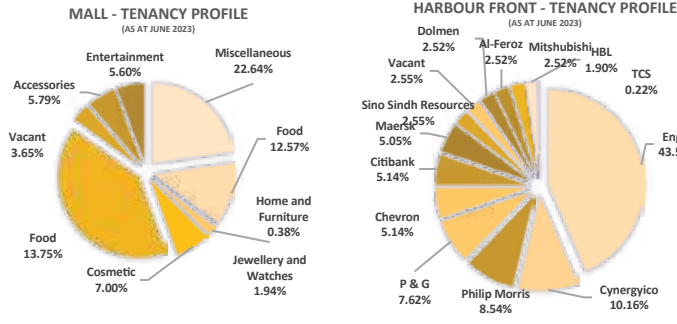
ڈولمین مال میں 14 اگست، یوم آزادی کی تقریبات انتہائی متوقع تقریبات میں سے ایک ہیں۔ ان تقریبات کا بنیادی مقصد حب الوطنی کے جذبے کو فروغ دینا ہے۔ یہ موضوعاتی سجاوٹ، خصوصی سیٹ اپ، تصویر کے مواقع اور خریداروں کو انعامات دینے کے ذریعے ایک یادگار سفر پیدا کرنا ہے۔

ہمارے پاس مال میں درج ذیل سیٹ اپ تھے:

- | | | | |
|---|------------------|---|------------------------|
| - | فائونٹین | - | رجسٹریشن ڈیسک |
| - | انسٹاگرام سیٹ اپ | - | ڈی ایریا |
| - | بٹلر آرک | - | فیشن بلیورڈ گیم سیٹ اپ |

ہوم میس اسٹائل:

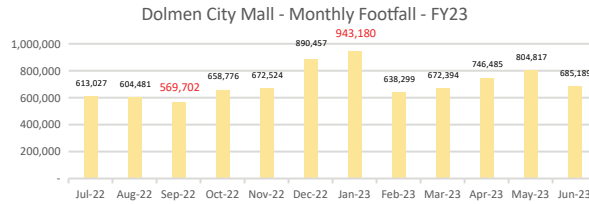
یہ تقریب فرنیچر، گھر کی سجاوٹ، اور متعلقہ برانڈز کے لیے اپنی مصنوعات اور پیشکشوں کی نمائش اور فروغ کے لیے ایک پلیٹ فارم کے طور پر کام کرتا ہے۔ یہ انہیں مال کے صارفین کے ساتھ براہ راست مشغول ہونے اور یہاں تک کہ آرڈر وصول کرنے کا موقع بھی فراہم کرتا ہے۔ اس سال یہ تقریب 14 سے 18 ستمبر تک منعقد کی گئی۔



DCR کے پراپرٹی منیجر نے جائیداد کی جگہ کی اچھی ساکھ، کرایہ داری اور برانڈ امیج کو برقرار رکھنے میں کلیدی کردار ادا کیا ہے اور متوقع کسٹمرز کے لئے ڈالمن مال آنا، خریداری کرنا اور اس کا حصہ بننے کیلئے پرکشش بنایا ہے۔ اس کے ساتھ ساتھ وہ REIT کی انتظامیہ کی قریبی نگرانی کے تحت DCR کے اثاثوں کی اعلیٰ معیاری مینٹی ننس، صحت اور تحفظ کرتے ہیں۔ پراپرٹی منیجر نے کرایہ جاتی حکمت عملیوں کو واضح کرنے میں کلیدی کردار ادا کیا ہے جس کی وجہ سے کرایہ داروں کی مجموعی کرایہ داری سطح سال بھر برقرار رہی۔

لوگوں کے قدموں کی آمد کے ڈرائیور:

مالیاتی سال 2023 کی پہلی ششماہی کے دوران میں کسٹمر پر مرکوز مارکیٹنگ اور برانڈنگ سرگرمیوں کے نتیجے میں بھاری تعداد میں انسانی قدموں کی آمد ہوئی۔ یوم آزادی، نئے سال کی تقریبات اور ڈالمن شاپنگ فیسٹیول کے علاوہ ڈالمن سٹی مال میں مختلف سیزن میں قابل رشک تقریبات منعقد ہوئیں۔



ماہانہ انسانی قدموں کی آمد 708,278 زائرین رہے جبکہ مالیاتی سال 2022 میں 585,085 زائرین تھے جبکہ سال بھر DCR نے 8.50 ملین زائرین کو مالیاتی سال 2023 کے دوران خوش آمدید کہا جبکہ مالیاتی سال 2022 میں یہ تعداد 7.02 ملین تھی۔

مال میں سال بھر کی نمایاں سرگرمیوں کا کلینڈر:

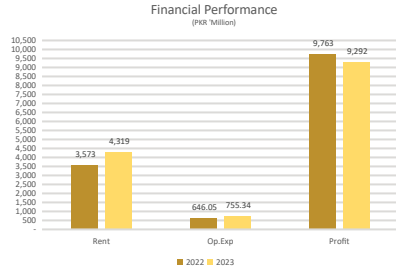
بیک ٹو اسکول:

ڈالمن کی مشہور تقریب ”بیک ٹو اسکول“ ہے جس کا بچے پر جوش طریقے سے انتظار کرتے ہیں۔

دوران تقریب، ہر برانڈ نے انٹرایکٹو سرگرمیاں، گیمز منعقد کئے اور بچوں کے لیے مختلف سرگرمیوں کو شامل کیا، جبکہ تحائف بھی تقسیم کیے گئے۔ اس نقطہ نظر نے ڈالمن مال میں نوجوان صارفین کے لیے ایک جاندار اور پر لطف تجربہ پیدا کیا، جس سے تقریب کو ان کے لیے

پر لطف اور متحرک بنا دیا گیا۔

جائزہ سال کے دوران DCR کی کرایہ جاتی آمدن 4,318.76 ملین روپے (30 جون 2022 میں 3,573.66 ملین روپے) رہی، جبکہ مارکیٹنگ آمدن 258.39 ملین (30 جون 2022 میں 221.54 ملین روپے) رہی اور شریعہ پاسدار بینک ڈپازٹس پر منافع 243.69 ملین روپے (30 جون 2022 میں 126.75 ملین روپے) رہا۔ انتظامی، کاروباری اور دیگر اخراجات 755.34 ملین روپے (30 جون 2022 میں 646.05 ملین روپے)



5.23 بلین روپے کی ایک رقم جائیداد میں سرمایہ کاری کی مالیت کی مساواتی قدر میں تبدیلی کی وجہ سے ریکارڈ کی گئی جس کی تشخیص مالیت ایک آزاد تشخیص کنندہ MYK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ نے کی تھی (بحوالہ مالیاتی گوشواروں کا نوٹ نمبر 4)۔ جس سے بعد از ٹیکس منافع 9.29 بلین روپے (30 جون 2022 میں 9.76 بلین روپے) رہا اور فی یونٹ آمدن (EPU) 4.18 روپے رہی۔ 1.83 EPU روپے کی قابل تقسیم آمدن پر مشتمل ہے اور 2.35 ملین روپے تشخیص مالیت پر ناقابل تقسیم منافع کے طور پر ریکارڈ کیا گیا۔ تشخیص مالیت پر رائے ششماہی اور سالانہ مالیاتی نتائج دونوں کیلئے ایک انتہائی بنیادی جز ہے۔ انتظامیہ کے ساتھ مالیاتی گوشواروں کا جائزہ لیتے وقت بورڈ کو ہر تشخیص مالیت تک مکمل رسائی حاصل تھی اور بورڈ اس بات سے مطمئن ہے کہ REIT کی جائیدادوں کی مساواتی مالیت کو ضوابط کے تحت انجام دیا گیا ہے۔

DCR کا کرایہ جاتی پروفائل:

موجودہ جائیداد قابل اعتماد کرایہ داروں پر مشتمل ہے (زیادہ تر عالمی برانڈز اور کثیر القومی کارپوریشنز ہیں) جو کہ تیز ترین نقد آمدن کما رہی ہیں۔ ڈالین مال کلفٹن میں ہائپر اسٹار اور سندباد کے ساتھ مقامی اور عالمی برانڈ کا مستحکم مرکب جیسے مینگو، نیکسٹ، آلدو، کھاڈی، ٹمبر لینڈ اور چارلس اینڈ کیتھ شامل ہیں۔ خوردہ فروشی میں سب سے زیادہ کرایہ داری ملبوسات (40.44 فیصد)، جس کے بعد غذائی مصنوعات (12.57 فیصد) دوسرے نمبر پر ہیں جبکہ دیگر اقسام میں ملی جلی کرایہ داری ہے۔ مال ایک مضبوط معاشی نیٹ ورک فراہم کرتا ہے کیونکہ اس میں شہر کے اعلیٰ ترین مقامی اور عالمی برانڈز چل رہے ہیں۔

ہاربر فرنٹ کے موجودہ کرایہ جاتی پورٹ فولیو میں مقامی اور کثیر القومی کارپوریشنز میں دیگر کے علاوہ اینگر وگروپ، فلیپ موس، مٹھو بٹھی کارپوریشن اور پروکٹر اینڈ گیمبل شامل ہیں۔ مال میں کرائے کیلئے 17 فلورز موجود ہیں۔

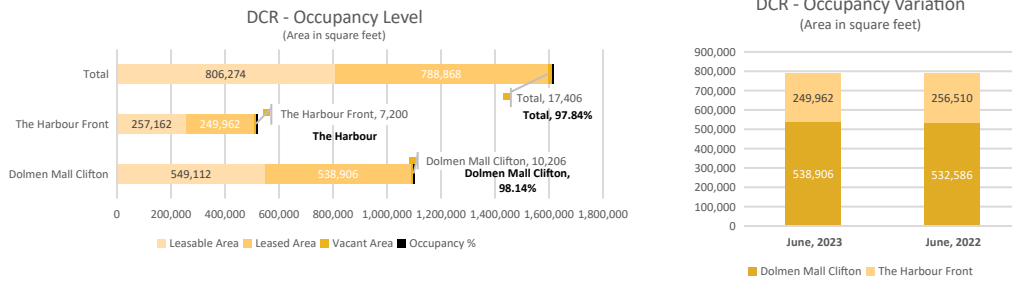
عملیاتی کارکردگی:

سال 2015 میں DCR کے آغاز ہی سے اس کی جائیداد کے کاروبار میں تسلسل کے ساتھ کرایہ داری دیکھی گئی۔ قبضہ کرایہ داری جون 2023 کے اختتام پر 97.84 فیصد رہی (30 جون 2022 کو 98.07 فیصد)۔

کرایہ داروں کے ساتھ شراکت داری کو بڑھانے کے مقصد سے طویل مدتی اسٹراٹجک اقدامات کے فعال نفاذ کے مثبت نتائج برآمد ہوئے ہیں۔ یہ کئی نئے کرایہ داروں کے اضافے سے ظاہر ہوتا ہے، جن میں آئیڈیاز، کراس اسٹچ، دی بینک آف پنجاب، سایہ، زارا شاہ جہاں، اور دی پوٹینٹو فیکٹری جیسے نام شامل ہیں۔

جانے والے کرایہ داروں کی وجہ سے نئے کرایہ داروں کی آمد ممکن ہوئی، جن میں شرف، کا پرے، ایشیا پیسیفک الیکٹرونکس، اور فرحان شامل تھے۔ نئے کرایہ داروں کی حوصلہ افزائی کے نتیجے میں صارفین کی خریداری کا ایک بہتر اور متنوع تجربہ ہوتا ہے۔

سال کے آخر میں ڈولمین مال کلِفٹن اور ہاربر فرنٹ پر قبضہ کرایہ داری کی سطح درج ذیل ہے:



30 جون 2023 تک ڈولمین سٹی مال (کل رقبہ 66 فیصد) کے لیے ویٹڈ ایورج لیز ایکسپائری (WALE) کی کرایہ داری کی میعاد تقریباً 6.48 سال ہے۔ ہاربر فرنٹ (کل رقبہ 34 فیصد) کی WALE تقریباً 3.91 سال ہے۔ DCR کی موجودہ کرایہ داری کی میعاد 5.61 سال ہے۔

مالیاتی کارکردگی:

DCR کے فنڈ کا سائز 30 جون 2023 کو 69.50 بلین روپے (30 جون 2022 میں 64.03 بلین روپے) ہو گیا جس کی وجہ سے یہ پاکستان کی سب سے بڑی شریعہ پاسدار کلوز ڈائینڈ انسٹرومنٹ بن گئی۔

محترم پونٹ ہولڈرز ڈالمن سٹی REIT

ہم عارف حبیب ڈالمن REIT مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ڈالمن سٹی REIT ("DCR" یا "اسکیم") کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے برائے ختمہ مدت 30 جون 2023 کے ساتھ ان پر آڈٹ رپورٹ اور دیگر آئینی رپورٹس پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

جائزہ:

ڈالمن مال کلفٹن ایک مخلوط استعمال کا کمپلیکس ہے جو کہ کراچی پاکستان میں ڈیفنس اور کلفٹن کے ایکسکلوژور ہاسٹی اضلاع میں واٹر فرنٹ پر واقع ہے۔ یہ چار ٹاورز پر مشتمل ہے: اسکائی ٹاور A، اسکائی ٹاور B، ہاربر فرنٹ اور ایگزیکٹیو ٹاور اور مال۔ کمپلیکس کی بنیاد پر ڈالمن مال ایک تین سطحی شاپنگ مال ہے جو 800,000 مربع فٹ (56,000 m²) کے رقبے پر پریمئیم ریٹیل جگہ پیش کرتا ہے، جس کا کل رقبہ 3,441,340 مربع فٹ (319,711 m²) ہے۔

ڈالمن مال کلفٹن نے پاکستان میں ریٹیل انڈسٹری میں نمایاں انقلاب برپا کر دیا ہے۔ یہ مال ایک جامع تجربہ پیش کرتا ہے، جو کھانے، فیشن اور تفریح میں بہترین کو یکجا کرتا ہے۔ اس مال میں 130 سے زیادہ ریٹیل اسٹورز، ایک ہائپر مارکیٹ، اور ایک فوڈ کورٹ ہے جس میں 1,200 صارفین کے بیٹھنے کی گنجائش ہے۔ ڈالمن مال کلفٹن پاکستان کا پہلا بین الاقوامی معیار کا شاپنگ مال ہے جو ملکی اور بین الاقوامی برانڈز کی ایک وسیع صف پیش کرتا ہے، جہاں خریدار مینگو، کیرلیفور، کھاڈی، سفارز، نائیک، ڈیزل، آلدو، چارلس اور کیتھ جیسے مشہور برانڈز کی ریخ تلاش کر سکتے ہیں۔ یہ مال دنیا کے چند مشہور خوردہ فروش برانڈز اور ریسٹورنٹس تک خصوصی رسائی فراہم کرتا ہے جو ملک بھر سے آنے والے صارفین کو اپنی جانب متوجہ کرتا ہے۔

ڈالمن مال ایک تین سطحی شاپنگ مال ہے جو 2011 میں تعمیر کیا گیا تھا جس کا رقبہ 800,000 مربع فٹ (56,000 m²) ہے، جس میں سے 547,924 مربع فٹ (50,903.8 m²) کرایہ پر ہیں۔ سال 2020 کی پہلی سہ ماہی کے مطابق قبضہ کرایہ داری کی شرح 98.3 فیصد ہے۔

ٹاور A اور B کی اونچائی 150 میٹر (490 فٹ) ہے، ہر ایک میں 40 منزلیں ہیں جنہیں آرکیٹیکٹ ارشد شاہد عبداللہ نے ڈیزائن کیا ہے۔ دونوں ٹاورز آفس کیلئے جگہ پیشکش کرتے ہیں، جبکہ ٹاور B اپنی دسویں منزل پر ایک ہوٹل کی میزبانی کرتا ہے۔ ایگزیکٹیو ٹاور 17 منزلہ دفتر کی عمارت ہے۔ ہاربر فرنٹ ایک دفتری عمارت ہے جس میں 19 منزلیں ہیں اور اس میں کئی ملٹی نیشنل کارپوریشنز ہیں۔