

**Arif Habib Dolmen REIT
Management Limited**

Condensed Interim Financial Statements
for the six months period ended
December 31, 2023

Arif Habib Dolmen REIT Management Limited
Directors' Report
For the Half Year Ended 31st December 2023

The Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC) are pleased to present the condensed interim financial statements of the Company for the half year ended December 31, 2023.

Operational and Financial Performance

During the period, RMC continued to demonstrate its proficient management of an extensive portfolio of 13 REITs, including two listed REITs. Among these, 5 REITs have been in operation, notably Dolmen City REIT (DCR), Globe Residency REIT (GRR), Silk Islamic Development REIT (SIDR), Rahat Residency REIT (RRR), and Signature Residency REIT (SRR).

Dolmen City REIT remains the largest REIT in Pakistan with total asset size of PKR 73.3 billion. DCR maintains occupancy at over 98% with half yearly rental income of PKR 2.4 billion. During the half year DCR has declared a dividend of Re 1 per unit.

Construction work on **Globe Residency REIT** is progressing satisfactorily. As of the period end, 86.32% (808 apartments) from the available inventory (936 apartments) is sold, and the proceeds are being prudently utilized to advance the construction process. It may be noted that 408 apartments are committed under Musharaka arrangement with Meezan Bank, which will become available for sale after completion of grey structure. During the half year GRR has paid a dividend of PKR 3 per unit for FY23, providing an annual dividend yield of 30% at par value.

The first phase of **Rahat Residency REIT** (Rahat I) was inaugurated in December 2022. This project comprises both of commercial and residential units, with over 55% of the total inventory already sold. Construction is currently in progress, with an anticipated completion within the estimated timeframe. The second phase of Rahat Residency REIT was also initiated in December 2023.

Signature Residency REIT encompasses two FL sites situated in Naya Nazimabad. Signature Tower, featuring a blend of commercial and residential units, was launched in January 2023. As of now, 67% of the total available inventory has been sold, and construction is currently underway according to plan.

In **Silk Islamic Development REIT** we continue to work on vicinity development, furnishing of model apartments and completion of the physical model. 64 apartments are booked. We intend to initiate another round of social media campaign shortly. Formal launch of the project shall be made after Eid subject to suitability of the operating environment. It may be noted that all arrangements for the launch are in place including all requisite approvals.

Sapphire Bay Islamic Development REIT (SBIDR) achieved substantial progress during the period by securing possession of nearly 1500 acres out of 2000 acres. It is anticipated that possession of entire 2000 acres shall be complete by September 2024. RUDA has offered additional 100 acres for which a Master Lease Deed (MLD) shall be signed soon.

Furthermore, the acquisition of real estate for Pakistan Corporate CBD REIT (PCCR) is progressing as planned and is expected to be finalized by the end of Fiscal Year 2024.

The management is confident that all remaining REITs will commence their operations in the upcoming Fiscal Year 2024.

During the half year, company has recorded revenue of PKR 182.92 million, major contributor to the revenue is DCR amounting to PKR 65.27 million, other contribution includes SBIDR, SIDR and GRR amounting to PKR 22.42 million, PKR 15.0 million and PKR 14.0 million respectively. Due to the increase in KIBOR rates, the finance cost has increased by 50% from corresponding period.

A summary of Company's financial results is tabulated below:

Line Items	December 2023 (in Rs millions)	December 2022 (in Rs millions)
Operating Revenue – net	182.915	143.556
Administration Expenses	(68.622)	(55.297)
Other Income	2.535	8.675
Finance Cost	(47.502)	(32.875)
Profit Before Tax	63.071	60.667
Profit After Tax	43.979	42.832
EPS – in rupees	2.20	2.14

Business outlook

Real estate business is currently going through a soft patch owing to economic and political uncertainties. We consider it as an opportunity to further strengthen our position in the market as a knowledge base service provider.

It is extremely important that the benefits of REITs and their positive role in the overall economic wellbeing is understood by key decision makers. REITs are the only possible instrument to document the real estate sector of the country. REIT funds setup by the company are evidence to the fact that REITs cannot only bring world class projects but would also enhance government's revenues in the process. REIT funds set up by the company have already contributed more than PKR 6 billion in revenues to the government.

Auditors

During the period, previous auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants retired after completion of term of five years as required by Code of Corporate Governance. On recommendation of Audit Committee, the Board of Directors has appointed M/s Yousuf Adil Chartered Accountants for the financial year ending on 30th June 2024 at a fee mutually agreed. The appointed external auditors holds satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program.

Acknowledgement

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

For and on behalf of the Board



Muhammad Ejaz
Chief Executive Officer



Arif Habib
Chairman

Karachi
February 27, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Arif Habib Dolmen REIT Management Limited** ("the Company") as at **December 31, 2023** and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

The condensed interim financial statements for the six months' period ended December 31, 2022 and the annual financial statements for the year ended June 30, 2023 were reviewed and audited by another firm of chartered accountants whose review report dated February 27, 2023 and the audit report dated October 06, 2023, expressed an unmodified opinion respectively.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Arif Nazeer


Chartered Accountants

Place: Karachi

Date: February 28, 2024

UDIN: AR202310099qf0tGMSas


Arif Habib Dolmen REIT Management Limited
Condensed Interim Statement of Financial Position
As at 31 December 2023

		Unaudited 31-Dec-23	Audited 30-Jun-23
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property and equipment	3	18,555,475	5,140,198
Intangible asset		298,258	357,196
Long term investment	4	941,400,000	941,400,000
Long term advances and deposits	5	8,987,778	7,982,082
		<u>969,241,511</u>	<u>954,879,476</u>
Current assets			
Receivable from schemes	6	508,763,291	471,307,330
Loans and advances		8,720,351	1,364,860
Prepayments and other receivables	7	6,526,418	3,670,987
Mark-up accrued on bank deposits		503,086	219,737
Cash and bank balances	8	35,180,448	4,071,916
Taxation - net		120,619	11,201,387
		<u>559,814,213</u>	<u>491,836,217</u>
Total assets		<u><u>1,529,055,724</u></u>	<u><u>1,446,715,693</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital		200,000,000	200,000,000
Revenue reserves			
Unappropriated profit		464,010,171	420,030,329
		<u>664,010,171</u>	<u>620,030,329</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation - net		890,900	220,545
Lease liability		8,700,000	-
Long-term loan from a banking company	9	266,666,666	333,333,333
		<u>276,257,566</u>	<u>333,553,878</u>
Current liabilities			
Advances	10	357,110,784	362,933,353
Loan from a director		12,000,000	12,000,000
Accrued expenses and other payables	11	61,243,817	34,827,470
Current maturity of long-term loan	9	133,333,334	66,666,667
Accrued mark up on long-term loan		25,100,052	16,703,996
		<u>588,787,987</u>	<u>493,131,486</u>
Contingencies and commitments	12		
Total equity and liabilities		<u><u>1,529,055,724</u></u>	<u><u>1,446,715,693</u></u>

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


Chief Financial Officer


Chief Executive


Director

Arif Habib Dolmen REIT Management Limited
Condensed Interim Statement of Profit or Loss (Unaudited)
For the Six Months Period and Quarter Ended 31 December 2023

	Note	Six months period ended		Quarter ended	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		----- Rupees -----		----- Rupees -----	
Operating revenue	13	182,915,783	143,556,280	108,678,613	83,482,725
Administrative expenses	14	(68,622,530)	(55,297,187)	(37,717,834)	(29,703,770)
		<u>114,293,253</u>	<u>88,259,093</u>	<u>70,960,779</u>	<u>53,778,955</u>
Other expenses	15	(6,254,369)	(3,390,986)	(1,561,111)	(2,804,500)
Other income		2,535,283	8,675,816	1,813,719	2,245,180
		<u>(3,719,086)</u>	<u>5,284,830</u>	<u>252,608</u>	<u>(559,320)</u>
		<u>110,574,167</u>	<u>93,543,923</u>	<u>71,213,387</u>	<u>53,219,635</u>
Finance costs		(47,502,905)	(32,875,990)	(23,729,097)	(17,027,004)
Profit before taxation		<u>63,071,262</u>	<u>60,667,933</u>	<u>47,484,290</u>	<u>36,192,631</u>
Taxation	16	(19,091,420)	(17,835,775)	(14,680,634)	(6,447,222)
Profit after taxation		<u>43,979,842</u>	<u>42,832,158</u>	<u>32,803,656</u>	<u>29,745,409</u>
Earnings per share - basic and diluted		<u>2.20</u>	<u>2.14</u>	<u>1.64</u>	<u>1.49</u>

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



Chief Financial Officer



Chief Executive



Director

Arif Habib Dolmen REIT Management Limited
 Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the Six Months Period and Quarter Ended 31 December 2023

	Six months period ended		Quarter ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	-----Rupees-----		-----Rupees-----	
Profit after taxation	43,979,842	42,832,158	32,803,656	29,745,409
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	43,979,842	42,832,158	32,803,656	29,745,409

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



 Chief Financial Officer



 Chief Executive



 Director

Arif Habib Dolmen REIT Management Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)
 For the Six Months Period and Quarter Ended 31 December 2023

	Issued, subscribed and paid-up capital	Revenue reserve	
		Unappropriated profits	Total
	----- Rupees -----		
Balance as at June 30, 2022	200,000,000	65,747,480	265,747,480
<i>Total comprehensive income for the half year ended December 31, 2022</i>			
- Profit after taxation	-	42,832,158	42,832,158
- Other comprehensive income	-	-	-
	-	42,832,158	42,832,158
Transactions with owners			
- Dividend Paid	-	(20,000,000)	(20,000,000)
Balance as at December 31, 2022	<u>200,000,000</u>	<u>88,579,638</u>	<u>288,579,638</u>
Balance as at June 30, 2023	200,000,000	420,030,329	620,030,329
<i>Total comprehensive income for the half year ended December 31, 2023</i>			
- Profit after taxation	-	43,979,842	43,979,842
- Other comprehensive income	-	-	-
	-	43,979,842	43,979,842
Balance as at December 31, 2023	<u>200,000,000</u>	<u>464,010,171</u>	<u>664,010,171</u>

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


 Chief Financial Officer


 Chief Executive


 Director

Arif Habib Dolmen REIT Management Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the Six Months Period Ended 31 December 2023

	Note	31-Dec-23 -----Rupees-----	31-Dec-22
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		63,071,262	60,667,933
<i>Adjustment for non-cash and other items:</i>			
- Depreciation on property and equipment	3	1,123,242	728,931
- Amortisation of intangible assets		58,938	87,960
- Depreciation on right-of-use assets		-	1,212,364
- Markup accrued on bank deposits		(2,535,283)	(8,149,815)
- Finance costs		47,502,905	32,875,990
		46,149,802	26,755,430
Cash generated from operating activities before working capital changes		109,221,064	87,423,363
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
- Receivable from schemes	6	(37,455,961)	(211,177,517)
- Loans and advances		(7,355,491)	(38,566)
- Prepayments and other receivables		(2,855,431)	(2,035,734)
		(47,666,883)	(213,251,817)
<i>Increase / (decrease) in current liabilities</i>			
- Advances		(5,822,569)	-
- Accrued expenses and other payables	11	26,416,347	25,209,221
		20,593,778	25,209,221
Cash generated from / (used in) operations		82,147,959	(100,619,233)
Long term advances and deposits		(1,005,696)	(3,480,277)
Finance cost paid		(39,106,849)	(53,791,492)
Taxes paid		(7,340,297)	(10,713,202)
Net cash generated from / (used in) operating activities		34,695,117	(168,604,204)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	3	(14,538,519)	(493,197)
Proceeds from disposal of property and equipment		-	140,501
Markup received		2,251,934	10,278,652
Net cash (used in) / generated from investing activities		(12,286,585)	9,925,956
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Car financing loan		8,700,000	-
Repayment of lease liability		-	(803,706)
Dividend paid		-	(20,000,000)
Net cash generated from / (used in) financing activities		8,700,000	(20,803,706)
Net increase / (decrease) in cash and cash equivalents		31,108,532	(179,481,954)
Cash and cash equivalents at the beginning of the year		4,071,916	184,175,378
Cash and cash equivalents at the end of the period	8	35,180,448	4,693,425

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


Chief Financial Officer


Chief Executive


Director

Arif Habib Dolmen REIT Management Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Six Months Period Ended 31 December 2023

1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Dolmen REIT Management Limited ('the Company') was incorporated in Pakistan as a public limited company (un-quoted) on April 08, 2009 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a REIT Management Company, registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 with the Securities and Exchange Commission of Pakistan (SECP). The certificate for commencement of business was obtained from SECP on September 07, 2009. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan.

The principal business of the Company is to launch Real Estate Investment Trust (REIT) Schemes and provide REIT management services in accordance with the Real Estate Investment Trust Regulations, 2015. As on December 31, 2023 the Company has been rated AM2+ (RMC) by VIS Credit Rating Company Limited.

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

S. No.	REIT Scheme	REIT Type	Location of the Real Estate Project	Life of the REIT Scheme	Fund Size (Rs. in million)	Date of registration by the SECP	Date of registration under the Sindh Trusts Act, 2021	Listing Date
1)	Dolmen City REIT	Rental REIT	Dolmen Mall Clifton and The Harbor Front, Karachi.	Perpetual	22,237	29-May-15	20-Jan-15	26-Jun-15
2)	Silk Islamic Development REIT	Development REIT	Surjwani Town, Karachi	8 Years	3,000	30-Jun-21	8-Jul-21	Not listed
3)	Silk World Islamic REIT	Development REIT	Surjwani Town, Karachi	4 Years	6,160	27-Sep-21	26-Aug-21	Not listed
4)	Pakistan Corporate CBD REIT	Development REIT	Old Walton Airport, Lahore	4-5 Years	15,016	22-Dec-21	29-Oct-21	Not listed
5)	Sapphire Bay Islamic Development REIT	Development REIT	Ravi Riverfront City, Punjab	8 -10 years	25,000	12-Jan-22	24-Dec-21	Not listed
6)	Globe Residency REIT	Development REIT	Naya Nazimabad, Karachi	5 Years	2,800	13-Jan-22	24-Dec-21	28-Dec-22
7)	Rahat Residency REIT	Development REIT	Naya Nazimabad, Karachi	5 Years	1,650	3-Aug-22	24-Jun-22	Not listed
8)	Naya Nazimabad Apartments REIT	Development REIT	Naya Nazimabad, Karachi	7 Years	5,875	3-Aug-22	24-Jun-22	Not listed
9)	DHA Dolmen Lahore REIT	Rental REIT	Dolmen Mall, Lahore	Perpetual	15,528	3-Aug-22	27-Jun-22	Not listed
10)	Signatue Reit Residency	Development REIT	Naya Nazimabad, Karachi	4 Years	825	22-Mar-23	22-Mar-23	Not listed
11)	Gymkhana Apartment REIT	Development REIT	Naya Nazimabad, Karachi	7 Years	4,300	20-Jun-23	20-Jun-23	Not listed

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 as applicable in Pakistan comprises of:

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

Where the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2015 differ from IFRS standards, the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2015 have been followed.

2.2 Basis of measurement

In these financial statements, all items have been measured at their historical cost except for long term investment which are carried at fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Material Accounting Policy Information, Judgments and Sources of estimation uncertainty

During the period, the company adopted Disclosure of Accounting policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2023.

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

Timing of revenue recognition

Advisory services

Whether performance obligation is satisfied at a point in time or over time that is whether the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

(b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes.

Long term investment

Estimation of fair value of investment in units of Silk Islamic Development REIT.

3 PROPERTY AND EQUIPMENT

	Furniture & fixtures	Office equipment	Computer and allied equipment	Telecommunication equipment	Vehicles	Total
Rupees						
As at June 30, 2023						
Cost	1,863,654	702,512	5,521,889	783,208	250,500	9,121,763
Accumulated depreciation	(381,819)	(115,415)	(2,830,235)	(543,969)	(110,127)	(3,981,565)
Net book value	1,481,835	587,097	2,691,654	239,239	140,373	5,140,198
<i>Movement during the quarter ended December 31, 2023</i>						
Opening net book value	1,481,835	587,097	2,691,654	239,239	140,373	5,140,198
Additions during the year		19,190	479,329	40,000	14,000,000	14,538,519
Disposals during the year:						
Depreciation for the quarter	(111,144)	(45,468)	(450,626)	(35,298)	(480,706)	(1,123,242)
Closing net book value	1,370,691	560,819	2,720,357	243,941	13,659,667	18,555,475

		31-Dec-23	30-Jun-23
		-----Rupees-----	
4. LONG TERM INVESTMENT	Note		
Debt instrument - at fair value through profit or loss			
<i>Un-quoted entity</i>			
Investment in Silk Islamic Development REIT	4.1	<u>941,400,000</u>	<u>941,400,000</u>
4.1	This represents the Company's investment in 60 million units (June 2023: 60 million units) of Silk Islamic Development REIT, a real-estate investment scheme being managed by the Company ('the Scheme'). The investment was made in June 2021 at a cost of Rs. 600 million.		
5. LONG TERM ADVANCES AND DEPOSITS	Note	31-Dec-23	30-Jun-23
		-----Rupees-----	
Unsecured, considered good			
Long term advances	5.1	8,775,278	7,769,582
Security deposit with Central Depository Company of Pakistan Limited		<u>212,500</u>	<u>212,500</u>
		<u>8,987,778</u>	<u>7,982,082</u>
5.1	These represent the amounts extended to employees in accordance with the terms of employment and Company's policy to facilitate employees to obtain motor vehicles on lease or on any other Islamic mode of financing.		
6. RECEIVABLE FROM SCHEMES	Note	31-Dec-23	30-Jun-23
		-----Rupees-----	
Management fee		191,320,204	157,759,723
Scheme setup cost		238,725,070	249,037,607
Other receivable		<u>78,718,017</u>	<u>64,510,000</u>
		<u>508,763,291</u>	<u>471,307,330</u>
7. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		1,723,347	963,541
Receivable from related parties - unsecured - Javedan Corporation limited		<u>2,184,187</u>	<u>354,187</u>
Other receivables		<u>2,618,884</u>	<u>2,270,884</u>
		<u>6,526,418</u>	<u>3,670,987</u>
8. CASH AND BANK BALANCES			
Cash in hand		30,081	24,690
Cash at bank			
- Saving accounts	8.1	<u>35,091,987</u>	<u>4,038,846</u>
- Current accounts		<u>58,380</u>	<u>8,380</u>
		<u>35,150,367</u>	<u>4,047,226</u>
		<u>35,180,448</u>	<u>4,071,916</u>
8.1	These carry markup at the rates ranging from 15.00 % to 20.5% per annum (June 30, 2023 : 15.00 % to 19.5%).		
9. LONG TERM LOAN FROM A BANKING COMPANY	Note	31-Dec-23	30-Jun-23
		-----Rupees-----	
Loan from M/s. Bank Al Habib Limited	9.1	400,000,000	400,000,000
Less: Current maturity shown under current liabilities		<u>(133,333,334)</u>	<u>(66,666,667)</u>
		<u>266,666,666</u>	<u>333,333,333</u>

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

- (a) The profit is calculated at 6-Month average KIBOR + 1.5% (with a floor of 5% p.a. and a cap of 25% p.a.). The average KIBOR is to be reviewed on the first day of the each semi-annual period (commencing from the aforementioned date of the revision in terms and conditions of the financing facility which were negotiated in April 2022). The tenor of financing is 5 years from the date of disbursement (including 2 years grace period). The rental will be recovered on quarterly basis and the bank's share in the shape of units will also be purchased on a semi-annual basis.
- (b) The financing arrangement is secured against the following:
- assignment of periodic management fee to be received from Dolment City REIT;
 - title and ownership of the investment in units of SIDR in the joint name of the bank;
 - pledge of 15,500,000 (June 30, 2023: 15,500,000) shares of M/s. Arif Habib Corporation Limited (with 30% margin) held by the director, Mr. Arif Habib, valuing Rs. 385.48 million as at December 31, 2023 (June 30, 2023: Rs. 573.5 million); and
 - joint personal guarantee of the directors, Mr. Arif Habib and Mr. Abdus Samad A. Habib, amounting, in aggregate, to Rs. 571.5 million each (June 30, 2023: Rs. 571.5 million).

10. ADVANCES	Note	31-Dec-23 ----- Rupees -----	30-Jun-23 -----
Advances in respect of scheme set-up costs			
- Silk Bank Limited	10.1	305,876,802	305,876,802
- Business Vision (Private) Limited	10.2	10,000,000	10,000,000
		<u>315,876,802</u>	<u>315,876,802</u>
Advances in respect of management fee			
- DHA Dolmen Lahore REIT		36,842,720	39,550,000
- Sapphire Bay Islamic Development REIT		1,745,961	-
- Signature Residency REIT		2,645,301	7,506,551
		<u>41,233,982</u>	<u>47,056,551</u>
		<u>357,110,784</u>	<u>362,933,353</u>

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

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

10.2 This represents an amount received from M/s. Business Vision (Private) Limited for funding the initial expenditures incurred (or to be incurred) on behalf of Sky Garden REIT.

11. ACCRUED EXPENSES AND OTHER PAYABLES	31-Dec-23 ----- Rupees -----	30-Jun-23 -----
Accrued expenses	21,877,556	14,848,947
Sales tax payable	38,574,733	19,243,913
Withholding taxes payable	272,277	215,359
Other liabilities	519,251	519,251
	<u>61,243,817</u>	<u>34,827,470</u>

12. CONTINGENCIES AND COMMITMENTS

As of December 31, 2023, there were no material contingencies and commitments to report.

	Note	Six months period ended		Quarter ended	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		----- Rupees -----		----- Rupees -----	
13. OPERATING REVENUE					
Management fee	13.1	206,694,835	159,958,597	122,806,834	91,030,151
Advisory fee		-	2,260,000	-	1,130,000
		<u>206,694,835</u>	<u>162,218,597</u>	<u>122,806,834</u>	<u>92,160,151</u>
Less: Sindh sales tax on services		<u>(23,779,052)</u>	<u>(18,662,317)</u>	<u>(14,128,221)</u>	<u>(8,677,426)</u>
		<u><u>182,915,783</u></u>	<u><u>143,556,280</u></u>	<u><u>108,678,613</u></u>	<u><u>83,482,725</u></u>
13.1 REIT management fee					
Dolmen City REIT		73,759,620	63,532,227	36,636,239	31,516,965
Silk Islamic Development REIT		16,950,000	17,089,315	8,475,000	8,544,658
Globe Residency REIT		15,820,000	15,950,027	7,910,000	7,975,014
Rahat Residency REIT		9,322,500	5,696,438	4,661,250	2,848,219
Signature Residency		4,661,250	-	2,330,625	-
Saphire Bay Islamic Development REIT		25,336,315	-	12,814,558	-
Pakistan Corporate CBD REIT		21,731,980	-	10,865,992	-
Naya Nazimabad Apartment REIT		25,114,173	-	25,114,173	-
Gymkhana Apartment REIT		13,998,997	-	13,998,997	-
Silk World Islamic REIT		-	35,090,590	-	17,545,295
DHA Dolmen Lahore REIT		-	22,600,000	-	22,600,000
		<u>206,694,835</u>	<u>159,958,597</u>	<u>122,806,834</u>	<u>91,030,151</u>
14. ADMINISTRATIVE EXPENSES					
Salaries, allowances and benefits		37,103,754	34,204,878	14,035,040	16,936,677
Legal and professional		905,248	1,295,078	815,248	385,338
Office maintenance charges		2,742,492	2,329,282	1,445,040	1,353,139
Travelling expense		3,063,720	661,119	3,031,215	446,168
Depreciation on right-of-use assets		-	1,212,364	-	606,182
Insurance		1,525,472	1,279,798	1,006,666	702,885
Director meeting fee		3,400,000	825,000	1,900,000	275,000
Depreciation on property and equipment	3	1,123,242	728,931	797,550	337,728
Auditors' remuneration		908,500	519,950	620,250	336,200
Communication		643,967	395,484	236,319	221,767
Rent		2,553,066	637,089	1,278,033	313,816
Printing and stationery		433,541	303,920	338,691	300,920
Training and membership expense		579,267	2,044,956	148,628	1,800,556
Professional tax		107,500	29,990	107,500	-
Amortization on intangible assets		58,938	87,960	29,469	43,980
Others		13,473,823	8,741,388	11,928,185	5,643,414
		<u>68,622,530</u>	<u>55,297,187</u>	<u>37,717,834</u>	<u>29,703,770</u>
15. OTHER EXPENSES					
Advertisement fee		6,254,369	3,371,986	1,561,111	2,800,000
Donations		-	19,000	-	4,500
		<u>6,254,369</u>	<u>3,390,986</u>	<u>1,561,111</u>	<u>2,804,500</u>
16. TAXATION					
Current		18,421,065	18,086,955	14,010,279	6,481,560
Deferred		670,355	(251,180)	670,355	(34,338)
		<u>19,091,420</u>	<u>17,835,775</u>	<u>14,680,634</u>	<u>6,447,222</u>

17. **TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of associated undertakings, sponsors, directors, the Company managing the voluntary pension scheme, key management personnel and their close family members. Transaction with related parties are entered into at negotiated prices at commercial terms. Details of transactions carried out and balances held with related parties other than those disclosed elsewhere in these financial statements are as follows:

	31-Dec-23	31-Dec-22
	————— Rupees —————	
<u>Transactions during the period:</u>		
Dolmen City REIT - (A scheme managed by the Company)		
Expenses paid	<u>2,834,058</u>	<u>900,889</u>
Silk Islamic Development REIT - (A scheme managed by the Company)		
Scheme set up costs paid	<u>3,700,268</u>	<u>101,948,249</u>
Silk World Islamic REIT - (A scheme managed by the Company)		
Scheme set up costs paid	<u>4,868,100</u>	<u>15,118,087</u>
Globe Residency REIT - (A scheme managed by the Company)		
Expenses on behalf of scheme	<u>262,081</u>	<u>1,104,200</u>
Sapphire Bay Islamic Development REIT - (A scheme managed by the Company)		
Scheme set up costs paid	<u>8,616,560</u>	<u>-</u>
Rahat Residency REIT (A scheme managed by the Company)		
Scheme set up costs paid	<u>285,600</u>	<u>8,967,719</u>
Javedan Corporation Limited (Associate Company due to common directorship)		
Expenses paid	<u>1,830,000</u>	<u>169,500</u>
Rotocast Engineering Company (Private) Limited (Associate Company due to common directorship)		
Common shared expenses	<u>2,550,066</u>	<u>884,008</u>
Payment of common shared expenses	<u>5,461,308</u>	<u>962,433</u>
Administration charges	<u>1,804,625</u>	<u>85,235</u>
	31-Dec-23	30-Jun-23
	————— Rupees —————	
<u>Balances with related parties as at the reporting date :</u>		
Dolmen City REIT - (A scheme managed by the Company)		
Receivable as at year end	<u>1,676,645</u>	<u>82,375</u>
Silk Islamic Development REIT - (A scheme managed by the Company)		
Receivable against setup cost	<u>88,910,442</u>	<u>99,754,569</u>

<u>Balances with related parties as at the reporting date :</u>	31-Dec-23	30-Jun-23
	Rupees	
Silk World Islamic REIT -		
(A scheme managed by the Company)		
Receivable against project management cost	78,718,017	64,510,000
Receivable against setup cost	<u>130,293,574</u>	<u>125,425,474</u>
Pakistan Corporate CBD REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>2,914,651</u>	<u>2,914,651</u>
Globe Residency REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>881,469</u>	<u>745,825</u>
Sapphire Bay Islamic Development REIT -		
(A scheme managed by the Company)		
Receivable/ (advance) against setup cost	<u>1,745,961</u>	<u>5,511,605</u>
Naya Nazimabad Apartment REIT		
(A scheme managed by the Company)		
Receivable against setup cost	<u>6,719,790</u>	<u>7,973,790</u>
Rahat Residency REIT		
(A scheme managed by the Company)		
Receivable against setup cost	<u>290,625</u>	<u>15,350</u>
DHA Dolmen Lahore REIT		
(A scheme managed by the Company)		
Receivable against setup cost	<u>-</u>	<u>2,707,280</u>
Arif Habib Limited		
(Associate Company due to common directorship)		
Payable as at year end	<u>10,556</u>	<u>10,556</u>
Arif Habib Corporation Limited		
(Associate Company due to common directorship)		
Payable against legal expense	<u>225,000</u>	<u>225,000</u>
Javedan Corporation Limited		
(Associate Company due to common directorship)		
Receivable as at year end	<u>2,184,187</u>	<u>354,187</u>
Rotocast Engineering Company (Private) Limited		
(Associate Company due to common directorship)		
Payable against administration charges	<u>2,695,873</u>	<u>3,126,150</u>

18 **Date of Authorization**

These condensed interim financial statements were authorized for issue in the board of Directors' meeting held on 27-FEB-2024.

19 **General**

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



Chief Financial Officer



Chief Executive



Director