Arif Habib Dolmen REIT Management Limited

Financial Statements for the year ended

June 30, 2024

Arif Habib Dolmen REIT Management Limited
Directors' Report
For the Year Ended 30th June 2024

The Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC) are pleased to present the Financial Statements of the Company for the year ended on 30th June 2024.

Operational and Financial Results

The Company is primarily focused on: Launching / initiating new REITs, managing existing REITs, and advising and preparing prospective clients for new REITs. FY 2024 turned out to be a year focused on managing existing REITs. The company has launched twelve REIT schemes to date out of which six are operational. The remining are in the process at different stages of getting active.

Clause 99A of second schedule is the enabling clause to initiate a REIT scheme by a developer / company engaged in the real estate business. After its lapse on June 30, 2024, initiation of a REIT scheme has become almost impossible barring a few exceptions. As a result no new REIT scheme was introduced in 2024.

During the year ended June 30, 2024, the company recorded revenue of PKR 296.562 million. Dolmen City REIT 'DCR' continues to be the dominant source of revenue accounting for 44.38% of the total down from 52.45% last year. The management continues to strive to further dilute reliance on single source. The company has the policy of charging fee to operational REITs only.

A summary of financial results is tabulated below:

Line Items	June 2024 (in Rs millions)	June 2023 (in Rs millions) – Restated
Operating Revenue – net	296.562	245.911
Administration Expenses	(136.251)	(128.957)
Unrealized (loss) / gain on remeasurement of investment in units of SIDR	(159.000)	341.400
Other Income	5.857	12.268
Finance Cost	(92.369)	(71.623)
(Loss) / Profit Before Tax	(95.651)	385.454
(Loss) / Profit After Tax	(67.849)	275.277
(LPS) / EPS – in rupees	(3.39)	13.76

Administration expenses only increased by 5.6% over last year highlighting tight cost controls and emphasis on efficiencies. The increase in finance cost is due to higher interest rates. There was no change in company's borrowing.

Following is a brief summary of operational REITs managed by the company:

Dolmen City REIT

Dolmen City REIT is Pakistan's first rental REIT consists of Dolmen Mall Clifton and The Harbour Front Building located on sea view road Clifton Karachi. DCR remains the largest (rental) REIT in Pakistan with net asset value of PKR 73.18 billion. DCR maintained occupancy at over 97.5% with an annual rental income of PKR 4.85 billion. During the year ended June 30, 2024 DCR has declared a dividend of Re 2.00 per unit, providing an annual dividend yield of 20% at par value.

Globe Residency REIT

Globe Residency was launched in November 2021 and was subsequently transferred to REIT scheme on 30th March 2022, it consists of 5 FL sites located in Naya Nazimabad Karachi. Construction work on GRR is progressing satisfactorily. As of the year end, 87.29% (817 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 being constructed under Musharaka arrangement with Meezan Bank, which will become available for sale after completion of grey structure. During the year GRR has paid a dividend of PKR 1.75 per unit for FY24, providing an annual dividend yield of 17.50% at par value.

Rahat Residency REIT

Rahat Residency REIT consists of 5 commercial sites located in Naya Nazimabad with a total area of 9,309 square yards. Currently projects on two sites are launched. The first phase of RRR (Rahat I) was inaugurated in December 2022. This project comprises both commercial and residential units, with over 46.4% of the total inventory already sold. Construction is currently in progress, with an anticipated completion within the estimated timeframe. Commercial shops of Rahat I are 100% sold and handing over of possession is in process. The second phase of Rahat Residency REIT was also initiated in December 2023 with over 27% of inventory booked, 52% of commercial shops of Rahat II sold.

Signature Residency REIT

SRR encompasses two commercial sites situated in Naya Nazimabad. Signature Tower, featuring a blend of commercial and residential units, was launched in January 2023 on one commercial site. As of now, 63% of the total available inventory has been sold, and construction is currently underway according to plan.

Naya Nazimabad Apartment REIT

NNAR consists of seven commercial sites located in Naya Nazimabad. During the year, NNAR entered into a Musharaka financing agreement with The Bank of Punjab, totaling Rs 7.8 billion, to facilitate the payment for land and to acquire additional real estate assets. As part of this expansion, NNAR acquired 146 residential plots, 70 commercial plots, and 76 retail shops in Lahore. In June 2024, NNAR launched Peace Apartment project, a mixed-use development featuring both commercial and residential units in Naya Nazimabad, Karachi. As of the year end, 114 apartments out of 638 available apartments have been sold.

Silk Islamic Development REIT

In SIDR we continue to work on vicinity development, furnishing model apartments and completion of the physical model. 65 apartments were booked in the test launch phase. In its meeting in August 2024, the sponsors have decided for full scale public launch in the next quarter.

Sapphire Bay Islamic Development REIT

SBIDR achieved substantial progress during the period by completing the acquisition of 1800 acres out of 2000 acres from Ravi Urban Development Authority. Currently work on master planning of the project is under way.

Pakistan Corporate CBD REIT

PCCR completed the acquisition of 23 kanals (Prime 4 and 5) in June 2024 and accordingly paid the land consideration in full to Punjab Central Business District Development Authority. We have also acquired from the authority an additional 5.19 kanals. First installment for the additional land already paid. Remaining amount shall be paid in 5 semi-annual installments.

The management anticipates that the remaining REITs shall commence their operations in the upcoming Fiscal Year 2025.

Business outlook

Real estate business is currently going through a soft patch owing to economic and political uncertainties. Recent developments such as reduction in interest rates and stability of exchange rates have reignited interest in the market. It is hoped that activities shall pick up in the third quarter of the current fiscal year.

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.

Related Party Transactions

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

Sustainability Risk Management, CSR, and DE&I Initiatives

The board is committed to addressing sustainability-related risks through comprehensive governance and oversight mechanisms. We continuously assess these risks and implement strategies to mitigate them as part of our broader Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) policy. Key elements of these policies include reducing our carbon footprint, conserving resources, advancing renewable energy, and managing waste sustainably. Additionally, we prioritize diversity, equity, and inclusion (DE&I) by fostering a diverse workforce, supporting employee well-being, and promoting community involvement through our DE&I initiatives.

Directors' Remuneration

The Non- Executive Directors (including independent directors) but 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.

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.

Directors' Attendance at Board and its Committee Meeting

During the year ended June 30, 2024, Twelve (12) Board Meetings, Fifteen (15) 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:

Name of Director	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr Arif Habib	11	-	-
Mr Nadeem Riaz	4	-	-
Mr Naeem Ilyas	12	15	-
Ms Tayyaba Rasheed	9	-	1
Mr Muhammad Noman Akhter	12	15	-
Mr Samad A. Habib	11	11	1
Mr Faisal Nadeem	8	-	-
Mr. Sajid ullah Sheikh	12	15	1
Mr Muhammad Ejaz	9	-	1

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

Committees of the Board:

Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Samad A. Habib	Member
Mr. Sajid ullah Sheikh	Member
Mr. Noman Akhter	Member

Human Resource & Remuneration Committee

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

Post Balance Sheet Events

There have been no material changes since 30th June 2024 to the date of this report.

Election of Directors

In accordance with the provisions of Section 161 of Companies Act 2017 the three years term of eight elected directors of RMC will be completed on 26th October 2024 and all Directors will retire. For fresh elections of Directors the number of Directors as fixed by the Board are eight in numbers.

Pattern of Shareholding

The pattern of share holding of the company as of June 30, 2024 is as following;

Categories of shareholders	share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children.	1,000,005	5%
Associated Companies, undertakings and related parties.	None	None
NIT and ICP	None	None
Banks Development Financial Institutions, Non Banking Financial Institutions.	None	None
Insurance Companies	None	None
Modarabas and Mutual Funds	None	None

Shareholders holding 10%	18,999,994	95%
General Public		
a. Local	None	None
b. Foreign		
Others (Former Director)	1	0%

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. Yousuf Adil Chartered Accountants shall retire, and being eligible, have offered themselves for reappointment for the year ending on 30th June 2025. 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 recommends reappointment of M/s. Yousuf Adil Chartered Accountants, as auditors of AHDRML for the financial year ending on 30th June 2025 at a fee to be mutually agreed.

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
October 04, 2024

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Arif Habib Dolmen REIT Management Limited

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** (the Company) for the year ended **June 30, 2024** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company'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 Company's personnel and review of various documents prepared by the Company 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 Company's corporate governance procedures and risks.

The Regulations require the Company 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 Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2024**.

Further, we highlighted below instances of non-compliance with the requirement of the regulations are reflected in the note/paragraph referred below where these are stated in the state of Compliance.

S. No	Paragraph Reference	Description
I	19	(i) Non-Constitution of Nomination committee. (ii) Non-Constitution of Risk Management Committee. (iii) The requirement introduced relating to Environmental, Social & Governance matters by the SECP will be complied in due course. (iv) The requirement introduced relating to Anti-harassment policy to safeguard the rights and well being of employees will be complied in due course. (v) The same person is Chief Financial Officer and Company Secretary of the Company.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: October 04, 2024
UDIN: CR202410099oBzSJyCfW

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Arif Habib Dolmen REIT Management Limited
Year ended June 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 9 as per the following:

   a) Male: 8
   b) Female: 1

2. The composition of the Board is as follows:

Category	Name
Independent Directors	• Mr. Naeem Ilyas • Mr. M. Noman Akhtar
Non-Executive Directors	• Mr. Arif Habib - Chairman • Mr. Nadeem Riaz • Mr. Abdus Samad A.Habib • Mr. Faisal Nadeem • Mr. Sajid Ullah Sheikh
Female Directors (Independent Director)	• Ms. Tayyaba Arshad
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 this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and REIT Regulations 2022 and the Regulations;

7. The meetings of the Board were presided over by the Chairperson and in her 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 the meetings of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and the Regulations;

9. Eight directors have a certification under Director's Training Program, one director of the company 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) <u>Audit Committee</u>

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

    b) <u>Human Resource & Remuneration Committee</u>

i.	Ms. Tayyaba Rasheed	Chairperson
ii.	Mr. Abdus Samad A.Habib	Member
iii.	Mr. Sajid ullah Sheikh	Member
iv.	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 the meetings (quarterly / half-yearly / yearly) of the committees were as per following:

a)	Audit Committee	15 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 Company;

16. The statutory auditors of the Company 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 Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these 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. Explanatory for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Reg. No.	Requirement	Explanatory for not meeting non-mandatory requirements
10(4) (xvi)	The Board may be required to approve anti-harassment policy to safeguard the rights and well being of employees.	During the year, the Securities and Exchange Commission of Pakistan (SECP) amended Regulation No. 10 on June 12, 2024. While the Company's Code of Conduct and Human Resource policy broadly addresses the relevant workplace matters, the management is currently reviewing the amendments.
10A	The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.	During the year, the SECP introduced Regulation 10A on June 12, 2024. The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives, and management is reviewing the amendments.
24	Same person shall not simultaneously hold office of Chief Financial Officer and the company Secretory of a Listed company.	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 positions is not feasible.
29(1)	The Board may constitute separate committees, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board manages these matters through its governance framework. The Board considers its members appropriately qualified to oversee these responsibilities, given the company's scale and structure. This approach is regularly reviewed to ensure alignment with best practices and regulations.
30	The Board may constitute separate committees, designated as the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board manages these matters through its governance framework. The Board considers its members appropriately qualified to oversee these responsibilities, given the company's scale and structure. This approach is regularly reviewed to ensure alignment with best practices and regulations.

YA

Muhammad Ejaz
Chief Executive

ARIF HABIB DOLMEN REIT MANAGEMENT LTD

Arif Habib
Chairman

October 04, 2024
Karachi

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Arif Habib Dolmen REIT Management Limited** (the Company), which comprise the statement of financial position as at **June 30, 2024,** and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information 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, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the '*Auditor's Responsibilities for the Audit of the Financial Statements*' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the financial statements and the Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2024, but does not include the financial statements, our auditor's report thereon, and review report issued on statement of compliance with Code of Corporate Governance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company'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.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

YA

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended **June 30, 2023** were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon dated October 06, 2023.

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

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: October 04, 2024
UDIN: AR2024100993lYjAidKh

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

		2024	2023 (Restated)
ASSETS	**Note**	----------**Rupees**--------	
Non-current assets			
Property and equipment	4	**17,267,448**	5,140,198
Intangible asset	5	**239,320**	357,196
Long term investment	6	**782,400,000**	941,400,000
Long term advances and deposits	7	**8,254,906**	7,982,082
		808,161,674	954,879,476
Current assets			
Receivable from schemes	8	**495,654,713**	471,307,330
Loans and advances	9	**8,869,735**	1,364,860
Prepayments and other receivables	10	**4,682,529**	3,670,987
Mark-up accrued on bank deposit		**-**	219,737
Prepaid assets		**9,322,716**	11,201,387
Cash and bank balances	11	**354,586**	4,071,916
		518,884,279	491,836,217
TOTAL ASSETS		**1,327,045,953**	1,446,715,693
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	12	**200,000,000**	200,000,000
Unappropriated profit		**253,174,778**	321,024,329
		453,174,778	521,024,329
Non-current liabilities			
Deferred taxation - net	24.4	**53,112,689**	99,226,545
Diminishing musharaka	13	**6,643,634**	-
Long term loan	14	**199,999,999**	333,333,333
		259,756,322	432,559,878
Current liabilities			
Advances	15	**403,920,219**	362,933,353
Loan from a director	16	**12,000,000**	12,000,000
Accrued expenses and other payables	17	**49,043,936**	34,827,470
Current maturity of long term loan	14	**133,333,334**	66,666,667
Current maturity of diminishing musharaka	13	**1,898,184**	-
Accrued mark up on long term loan		**13,919,180**	16,703,996
		614,114,853	493,131,486
TOTAL EQUITY AND LIABILITIES		**1,327,045,953**	1,446,715,693
Contingencies and commitments	18		

The annexed notes from 1 to 32 form an integral part of these financial statements.

YA

Chief Financial Officer	**Chief Executive**	**Director**

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023 (Restated)
		--------- Rupees --------	
Revenue from contracts with customers	19	**296,562,232**	245,911,741
Administrative and operating expenses	20	**(136,250,594)**	(128,957,323)
Operating profit		**160,311,638**	116,954,418
Unrealized (loss) / gain on remeasurement of investment in units of Silk Islamic Development REIT		**(159,000,000)**	341,400,000
Other expenses	21	**(10,450,156)**	(13,545,219)
Finance cost	22	**(92,369,469)**	(71,623,163)
Other income	23	**5,857,166**	12,268,492
(Loss) / profit before final taxes and revenue taxes		**(95,650,821)**	385,454,528
Final tax	24	**-**	-
(Loss) / profit before revenue tax		**(95,650,821)**	385,454,528
Revenue taxes	24	**-**	-
(Loss) / profit before income tax		**(95,650,821)**	385,454,528
Taxation	24	**27,801,270**	(110,177,679)
(Loss) / profit after taxation		**(67,849,551)**	275,276,849
(Loss) / earnings per share - basic and diluted	25	**(3.39)**	13.76

The annexed notes from 1 to 32 form an integral part of these financial statements.

YA

Chief Financial Officer | **Chief Executive** | **Director**

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023 (Restated)
	----------Rupees--------	
(Loss) / profit after taxation	**(67,849,551)**	275,276,849
Other comprehensive income	-	-
Total comprehensive (loss) / income	**(67,849,551)**	275,276,849

The annexed notes from 1 to 32 form an integral part of these financial statements.

YA

Chief Financial Officer | **Chief Executive** | **Director**

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up capital	Unappropriated profits	Total
	----------	Rupees	----------
Balance as at July 01, 2022	200,000,000	65,747,480	265,747,480
Total comprehensive income for the year ended June 30, 2023			
- Profit after taxation (restated)	-	275,276,849	275,276,849
- Other comprehensive income	-	-	-
	-	275,276,849	275,276,849
Transactions with owners			
- Dividend Paid		(20,000,000)	(20,000,000)
Balance as at June 30, 2023 (restated)	**200,000,000**	**321,024,329**	**521,024,329**
Total comprehensive income for the year ended June 30, 2024			
- Loss after taxation	-	**(67,849,551)**	**(67,849,551)**
- Other comprehensive income	-	-	-
	-	**(67,849,551)**	**(67,849,551)**
Balance as at June 30, 2024	**200,000,000**	**253,174,778**	**453,174,778**

The annexed notes from 1 to 32 form an integral part of these financial statements.

YA

Chief Financial Officer **Chief Executive** **Director**

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----------Rupees--------	
A. CASH FLOWS GENERATED FROM / (USED IN) OPERATIONS			
(Loss) / profit after taxation		**(95,650,821)**	385,454,528
Adjustment for non-cash and other items:			
- Depreciation on property and equipment	4	**3,424,969**	1,503,770
- Amortisation of intangible assets	5	**117,876**	175,920
- Depreciation on right-of-use assets		**-**	1,212,364
- Markup accrued on bank deposits		**(5,857,166)**	(11,742,491)
- Liabilities no longer payable written back		**-**	(522,410)
- Gain on sale of operating fixed assets		**-**	(3,591)
- Finance costs		**92,369,469**	71,623,163
- Unrealized loss / (gain) on remeasurement of investment in SIDR		**159,000,000**	(341,400,000)
		249,055,148	(279,153,275)
Cash generated from operating activities before working capital changes		**153,404,327**	106,301,253
Working capital changes			
(Increase) / decrease in current assets			
Receivable from schemes		**(24,347,383)**	(255,095,247)
Loans and advances		**(7,504,875)**	5,488,537
Prepayments and other receivables		**(1,011,542)**	2,324,769
		(32,863,800)	(247,281,941)
Increase / (decrease) in current liabilities			
Advances in respect of management fee		**35,632,753**	47,056,551
Accrued expenses and other payables		**14,216,466**	16,125,172
		49,849,219	63,181,723
Long term advances and deposits		**(272,824)**	-
Finance cost paid		**(93,957,072)**	(88,566,505)
Taxes paid		**(16,433,915)**	(24,033,870)
Net cash generated from / (used in) operating activities		**59,725,935**	(190,399,340)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4	**(15,552,219)**	(1,314,923)
Proceeds from disposal of property and equipment		**-**	144,092
Long term advances refunded		**-**	(3,496,065)
Markup received		**6,076,903**	13,766,480
Net cash (used in) / generated from investing activities		**(9,475,316)**	9,099,584
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Advances received in respect of scheme set-up costs		**5,354,113**	10,000,000
Loan received from a director		**-**	12,000,000
Repayment of lease liability		**-**	(803,706)
Diminishing musharaka - obtained	29	**8,700,000**	-
Long term loan - repaid	29	**(66,666,667)**	-
Diminishing musharaka - repaid	29	**(1,355,395)**	-
Dividend paid		**-**	(20,000,000)
Net cash (used in) / generated from financing activities		**(53,967,949)**	1,196,294
Net decrease in cash and cash equivalents (A+B+C)		**(3,717,330)**	(180,103,462)
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 year	11	**354,586**	4,071,916

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive** | **Director**

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, 2022. The VIS Credit Rating Company Limited (VIS) maintained the RMC rating of the REIT Management Company to AM2+ on December 11, 2023. (AM2+ on October 25, 2022).

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	Surjani Town, Karachi	8 Years	3,000	30-Jun-21	8-Jul-21	Not listed
3)	Silk World Islamic REIT	Development REIT	Surjani 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)	Signature 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	5,120	27-Dec-23	20-Jun-23	Not listed
12)	Park View Apartment REIT	Development REIT	Naya Nazimabad, Karachi	4-5 Years	2,421	9-Apr-24	20-Jun-23	Not listed
13)	Meezan Center REIT	Development REIT	Naya Nazimabad, Karachi	4-5 Years	1,381	13-Jun-24	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, 2022 (the REIT Regulations) and requirements of the Trust Deed.

Where the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2022 differ from IFRS standards, the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2022 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 Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Use of significant estimates and judgments

The preparation of these financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.5 Application of new standards, amendments and interpretations to the published approved accounting standards

2.5.1 New accounting standard, amendments and IFRS interpretation that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the REIT's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction

- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules

2.5.2 New accounting standards / amendments and IFRS interpretation that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2025

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.6 Restatement of the corresponding figures

During the year, the Company identified error in the deferred tax recognition related to fair value gain of long term investment in the prior year.

As the aforesaid error in deferred tax recognition pertains to prior year, this has been accounted for retrospectively in accordance with the requirement of International Accounting Standard (IAS) 8 'Accounting policies, Changes in accounting estimates and errors' and the corresponding figures effected thereby have been restated. Further, since this restatement has no effect on statement of financial position as at the beginning of earliest period presented (July 01, 2022), therefore it has not been presented in these financial statements in accordance with the requirements of IAS 1 'Presentation of Financial Statements'.

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effect on the statement of financial position

	June 30, 2023		
	As previously reported	**As restated**	**change**
	(Rupees)		
Liabilities			
Deferred tax liability	220,545	99,226,545	99,006,000
Share capital and reserves			
Unappropriated profit	420,030,329	321,024,329	(99,006,000)

Effect on the statement of profit and loss

	June 30, 2023		
	As previously reported	As restated	change
	---------- (Rupees) ----------		
Profit before income tax	385,454,528	385,454,528	-
Income tax	(11,171,679)	(110,177,679)	99,006,000
Profit after taxation	374,282,849	275,276,849	(99,006,000)
Earnings per share - basic and diluted	18.71	13.76	(4.95)

2.7 Accounting for minimum taxes and final taxes

During May 2024, The Institute of Chartered Accountants of Pakistan (ICAP) issued a guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide) to provide guidance on accounting of minimum tax and final tax, as mentioned in the Income Tax Ordinance, 2001, under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards. The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 (as these are not based on taxable profits), hence, it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The Guide issued by ICAP provides approaches to account for minimum and final regime taxes according to the facts and circumstances as applicable to the Company. Accordingly, the Company has adopted the following approach:

The Company first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 "Levies"/IAS 37" Provisions, Contingent Liabilities and Contingent Assets".

Therefore, the effective rate of income tax is equal to the enacted rate of income tax and the deferred tax will be calculated at such rate.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy' in accordance with guidance provided in the guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37].

Advance taxes paid under any section of the Income Tax Ordinance, 2001, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as 'prepaid assets'.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was already at enacted rate and the application of this guide did not result any material differences except for reclassifications which are presented as below:

Effect on statement of financial position:	Current Classification	Previous Classification
	--------- (Rupees in '000) ---------	
As at June 30, 2023		
Prepaid assets	11,201,387	-
Advance income tax	-	11,201,387
	11,201,387	11,201,387

Extract of P&L Presentation	CY
Profit before final and revenue taxes	385,454,528
Final tax	-
Profit before revenue tax	385,454,528
Revenue taxes	-
Profit before income tax	385,454,528
Taxation	(110,177,679)
Profit after income tax	275,276,849

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to statement of profit or loss during the period in which they are incurred. Depreciation on all property and equipment is charged to statement of profit or loss using the reducing balance method at the rates stated in note 4.

In respect of additions and disposals during the year, depreciation is charged from the date when the asset is available for use upto the date till the asset is disposed off.

Assets' residual values, depreciation methods and their useful lives are reviewed at each reporting date and adjusted, if appropriate.

Gains or losses on disposal of an item of property and equipment are recognized in the statement of profit or loss.

3.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit or loss on a straight-line basis over the lease term.

3.3 Intangible asset

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

3.4 Financial instruments

3.4.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost
(b) fair value through other comprehensive income (FVOCI)
(c) fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within 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 principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when 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.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.4.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised , the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.4.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For management fee receivable the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.4.4 De-recognition

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

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.5 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances.

3.8 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets.

i. **Revenue taxes**

Revenue taxes includes amount representing excess of :

a)minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b)minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii. **Final Taxes**

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.9 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a 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 can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted fo take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.10 **Revenue**

Management fee

Management fee is recognised to the extent that it is probable that the Company will collect the consideration to which it will be entitled in exchange for services that will be transferred to the Scheme. In evaluating whether collectability of an amount of consideration is probable, the Company considers the Scheme's ability and intention to pay that amount of consideration when it is due. Under the provisions of the REIT Regulations, 2022, the Company is required to provide various services to the REIT Schemes under its management. Such services are delivered to the Schemes, on a continuous basis, over their life (whether limited or perpetual) with each time increment of service (e.g. each day of service) being distinct from the next. The Company accounts for the series of such distinct time increments as a 'single performance obligation' due to the following reasons:

(a) The management services delivered to the Schemes, on a continuous basis, are substantially the same in nature; and

(b) The series of management services has the same pattern of transfer to the Schemes since both of the following criteria are met:

(i) The Schemes simultaneously receive and consume the benefits of each distinct management service in the series; and

(ii) The same method is used to measure the Company's progress towards delivery of each distinct management service in the same i.e. based on time elapsed.

Accordingly, in view of the above, the Company recognizes management fee revenue on a quarterly basis using the straight-line method. The amount of revenue is taken equal to the amount invoiced to the Schemes which is determined as follows:

Scheme name	Basis of calculation of the amount invoiced
Dolmen City REIT (DCR)	3% of net operating income (NOI)
Silk Islamic Development REIT (SIDR)	1% of current average fund size
Globe Residency REIT (GRR)	1% of current average fund size
Rahat Residency REIT (RRR)	1% of current average fund size
Sapphire Bay Islamic Development REIT (SBIDR)	1% of current average fund size
Signature Residency REIT (SRR)	1% of current average fund size
Pakistan Corporate CBD REIT (PCBDR)	1% of current average fund size

Advisory Fee

REIT advisory fee are recognized when performance obligation is satisfied i.e. services are rendered to customers.

3.11 **Other income**

Markup on bank deposits

Markup on bank deposits is recognised on a time proportion basis that takes into account the effective yield.

Dividend income

Dividends received from investments measured at fair value through profit or loss. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

3.12 **Staff retirement benefits**

The Company contributes to Voluntary Pension Scheme (VPS) managed by an associated undertaking i.e. MCB Arif Habib Savings and Investment Limited for its permanent employees. Both the employer and employee contribute 10% of salary to the scheme on monthly basis.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a MCB Arif Habib in exchange for that service as an expense in statement of profit or loss every month.

4. PROPERTY AND EQUIPMENT

Particulars	Cost				Accumulated Depreciation				Written down value	Rate
	As at July 01, 2023	Additions	(Deletions)	As at June 30, 2024	As at July 01, 2023	For the year	(Deletions)	As at June 30, 2024	As at June 30, 2024	
	---(Rupees)---									%
Owned										
Furniture & Fixtures	1,863,654	-	-	1,863,654	381,819	222,275	-	604,094	1,259,560	15
Office Equipments	702,512	19,190	-	721,702	115,415	90,943	-	206,358	515,344	15
Computer and allied equipment	5,521,889	790,129	-	6,312,018	2,830,235	1,044,604	-	3,874,839	2,437,179	33
Telecommunication equipment	783,208	85,000	-	868,208	543,969	89,949	-	633,918	234,290	33
Vehicles	250,500	157,900	-	408,400	110,127	152,753	-	262,880	145,520	20
	9,121,763	1,052,219	-	10,173,982	3,981,565	1,600,524		5,582,089	4,591,893	
Musharaka assets*										
Vehicles	-	14,500,000	-	14,500,000	-	1,824,445		1,824,445	12,675,555	20
	9,121,763	15,552,219	-	24,673,982	3,981,565	3,424,969	-	7,406,534	17,267,448	

For comparative period

Particulars	Cost				Accumulated Depreciation				Written down value	Rate
	As at July 01, 2022	Additions	(Deletions)	As at June 30, 2023	As at July 01, 2022	For the year	(Deletions)	As at June 30, 2023	As at June 30, 2023	
	---(Rupees)---									%
Owned										
Furniture & Fixtures	1,863,654	-	-	1,863,654	120,339	261,480	-	381,819	1,481,835	15
Office Equipments	130,500	572,012	-	702,512	59,882	55,533	-	115,415	587,097	15
Computer and allied equipment	4,818,978	702,911	-	5,521,889	1,793,641	1,036,594	-	2,830,235	2,691,654	33
Telecommunication equipment	875,708	40,000	(132,500)	783,208	478,430	115,063	(49,524)	543,969	239,239	33
Vehicles	453,000	-	(202,500)	250,500	220,002	35,100	(144,975)	110,127	140,373	20
	8,141,840	1,314,923	(335,000)	9,121,763	2,672,294	1,503,770	(194,499)	3,981,565	5,140,198	
Musharaka assets*										
Vehicles	-	-	-	-	-	-	-	-	-	20
	8,141,840	1,314,923	(335,000)	9,121,763	2,672,294	1,503,770	(194,499)	3,981,565	5,140,198	

* The title of assets under musharaka are in the joint name of the financial institute and the Company with average ownership of 60% and 40% respectively.

	Note	2024	2023
5. INTANGIBLE ASSET		----------Rupees--------	
Computer Software		239,320	357,196
Opening written down value		357,196	533,116
Addition during the year		-	-
Less: Amortization during the year		(117,876)	(175,920)
Written down value as at June 30, 2024		239,320	357,196
Amortization rate		33%	33%

6. LONG TERM INVESTMENT

- at fair value through profit or loss

	Note	2024	2023
Investment in Silk Islamic Development REIT	6.1	782,400,000	941,400,000

6.1 This represents 60 million units held in a privately placed, closed-end, limited life, shariah compliant, developmental REIT scheme, named Silk Islamic Development REIT (SIDR), which constitutes 20% of the total 300 million units issued (the Investment). This REIT Scheme is managed by the Company and Central Depositary Company of Pakistan Limited as its trustee. The company being strategic investor of SIDR, has 25% of its subscribed units in an account marked as 'blocked' with the Central Depository Company as required by the Real Estate Investment Trust Regulations, 2022.

7. LONG TERM ADVANCES AND DEPOSITS	Note	2024	2023
Unsecured, considered good		----------Rupees--------	
Long term advances	7.1	**8,042,406**	7,769,582
Security deposit with Central Depository Company of Pakistan Limited		**212,500**	212,500
		8,254,906	7,982,082

7.1 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.

8. RECEIVABLE FROM SCHEMES	Note	2024	2023
		----------Rupees--------	
Management fee scheme	8.1	**184,792,243**	157,759,723
Scheme setup cost	8.2	**237,344,453**	249,037,607
Other receivable from scheme	8.3	**73,518,017**	64,510,000
		495,654,713	471,307,330

8.1 Management fee receivable

Secured			
Silk World Islamic REIT	8.1.1	**52,826,596**	52,826,596
Unsecured			
Dolmen City REIT		**38,845,872**	36,881,301
Silk Islamic Development REIT		**25,505,343**	25,355,343
Globe Residency REIT		**19,915,001**	7,888,329
Rahat Residency REIT		**2,475,445**	10,162,254
Pakistan Corporate CBD REIT		**14,117,335**	-
Signature Residency REIT		**1,857,199**	-
Sapphire Bay Islamic Development REIT		**29,249,452**	24,645,900
		131,965,647	104,933,127
		184,792,243	157,759,723

8.1.1 The management fee receivable from Silk World Islamic REIT is fully secured against an amount of Rs. 305.877 million (June 30, 2023: Rs. 305.877 million) as disclosed in note 15 to these financial statements.

8.1.2 The maximum amount due from related parties at the end of any month during the year aggregated to Rs. 38.49 million (2023: Rs. 33.35 million).

8.1.3 As at June 30, 2024, receivables from related parties aggregating to Rs. 495.65 million (2023: Rs. 471.31 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

	2024	2023
	----------Rupees--------	
Upto 3 months	**91,931,097**	46,870,235
3 to 6 months	**48,178,225**	83,954,252
More than 6 months	**355,545,391**	340,482,843
	495,654,713	471,307,330

8.2 Scheme setup cost receivable

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

	As at June 30, 2024				
	Land Development costs	Fees and subscription	legal and professional charges	Other expenses	Total
	----------	----------	Rupees	----------	----------
Silk Islamic Development REIT	**89,063,477**	**-**	**-**	**-**	**89,063,477**
Silk World Islamic REIT	**103,823,220**	**21,378,753**	**1,838,829**	**3,254,548**	**130,295,350**
Pakistan Corporate CBD REIT	**-**	**-**	**-**	**446,091**	**446,091**
Globe Residency REIT	**-**	**-**	**-**	**372,251**	**372,251**
Signature Residency REIT	-	-	-	1,632	1,632
Sky Garden REIT	-	-	1,854,689	-	1,854,689
Sapphire Bay Islamic Development REIT	**-**	**-**	**-**	**839,714**	**839,714**
DHA Dolmen Lahore REIT	**-**	**58,255**	**1,000,000**	**1,649,025**	**2,707,280**
Naya Nazimabad Apartments REIT	**-**	**-**	**-**	**6,810,092**	**6,810,092**
Rahat Residency REIT	**-**	**-**	**-**	**1,584**	**1,584**
Others	**-**	**1,025,075**	**3,065,030**	**862,188**	**4,952,293**
	192,886,697	**22,462,083**	**7,758,548**	**14,237,125**	**237,344,453**

	As at June 30, 2023				
	Land Development costs	Fees and subscription	Legal and professional charges	Other expenses	Total
	----------	----------	Rupees	----------	----------
Silk Islamic Development REIT	99,754,569	-	-	-	99,754,569
Silk World Islamic REIT	102,257,220	19,080,753	1,838,829	2,248,672	125,425,474
Pakistan Corporate CBD REIT	-	-	2,100,000	814,651	2,914,651
Globe Residency REIT	745,825	-	-	-	745,825
Sapphire Bay Islamic Development REIT	-	-	636,499	4,875,106	5,511,605
DHA Dolmen Lahore REIT	-	58,255	1,000,000	1,649,025	2,707,280
Naya Nazimabad Apartments REIT	-	-	6,375,000	1,598,790	7,973,790
Rahat Residency REIT	-	15,350	-	-	15,350
Others	-	-	3,989,063	-	3,989,063
	202,757,614	19,154,358	15,939,391	11,186,244	249,037,607

8.3 Other receivable from scheme

This represents a receivable from Arif Habib Development and Engineering Consultants Private Limited (AHDEC) in respect of certain project development costs incurred by the Company on behalf of AHDEC.

9. LOANS AND ADVANCES

	2024	2023
	----------Rupees	--------
Loans to employees	**476,805**	92,785
Advances to employees	**8,392,930**	1,272,075
	8,869,735	1,364,860

10. PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
Prepayments	**1,312,132**	963,541
Receivable from related parties - unsecured		
- Javedan Corporation limited	-	354,187
- Dolmen City REIT scheme	-	82,375
	-	436,562
Other receivables	**3,370,397**	2,270,884
	4,682,529	3,670,987

	Note	2024	2023
		----------Rupees--------	
11. CASH AND BANK BALANCES			
Cash in hand		**15,081**	24,690
Cash at bank			
Saving accounts	11.1	**337,951**	4,038,846
Current accounts		**1,554**	8,380
		339,505	4,047,226
		354,586	4,071,916

11.1 These carry markup at the rates ranging from 8% to 20.5% (2023: 15.00% to 19.5%) per annum.

12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		2024	2023
(Number of shares)			----------Rupees--------	
		Authorized capital		
50,000,000	50,000,000	Ordinary shares of Rs. 10 each	**500,000,000**	500,000,000
		Issued, subscribed and paid-up capital		
		Ordinary shares of Rs. 10 each		
20,000,000	20,000,000	fully paid in cash	**200,000,000**	200,000,000

12.1 There is no agreement with shareholders for voting rights, bond selection, right of first refusal and block voting.

	2024	2023
	----------Rupees--------	
13. DIMINISHING MUSHARAKA		
Opening balance	-	-
Additions during the year	**8,700,000**	-
Finance cost incurred during the year	**1,197,213**	-
Payments during the year	**(1,355,395)**	-
	8,541,818	
Less: Current maturity of diminishing musharaka	**(1,898,184)**	-
	6,643,634	-

13.1 The facility is obtained to finance the purchase of vehicle which is subject to profit 6 months KIBOR + 1.5%. The facility is secured against charge over the musharaka asset upto their respective values. The title of assets under musharaka are in the joint name of the financial institution and the company with the ownership of 60% and 40% respectively. The facility is repayable in 55 monthly instalments.

	Note	2024	2023
14. LONG TERM LOAN		----------Rupees--------	
Loan from M/s. Bank Al Habib Limited	14.1	**333,333,333**	400,000,000
Less: Current maturity of long term loan		**(133,333,334)**	(66,666,667)
		199,999,999	333,333,333

14.1 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 Musharaka 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:

(i) assignment of periodic management fee to be received from Dolmen City REIT;

(ii) title and ownership of the investment in units of SIDR in the joint name of the bank;

(iii) 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; and

(iv) joint personal guarantee of the directors, Mr. Arif Habib and Mr. Abdus Samad A. Habib, amounting, in aggregate, to Rs. 571.5 million each.

15. ADVANCES

	Note	2024	2023
		----------Rupees--------	
Advances in respect of scheme set-up costs			
- Silk Bank Limited	15.1	**305,876,802**	305,876,802
- Business Vision (Private) Limited	15.2	**10,000,000**	10,000,000
- Javedan Corporation Limited		**5,354,113**	-
		321,230,915	315,876,802
Advances in respect of management fee			
- DHA Dolmen Lahore REIT		**39,550,000**	39,550,000
- Naya Nazimabad Apartment REIT		**25,114,172**	-
- Gymkhana Apartment REIT		**13,998,997**	-
- Sapphire Bay Islamic Development REIT		**4,026,135**	-
- Signature Residency REIT		**-**	7,506,551
		82,689,304	47,056,551
		403,920,219	362,933,353

15.1 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:

(a) Repayment of the advance shall only be made out of the reimbursements of set up costs to be received from SWIR; and

(b) The advance shall not bear any interest.

15.2 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.

16. LOAN FROM A DIRECTOR

	Note	2024	2023
		----------Rupees--------	
Loan from Mr. Arif Habib	16.1	**12,000,000**	12,000,000

16.1 This represents an interest-free loan received from director of the company, Mr. Arif Habib, for funding the advertisement costs incurred on behalf of Silk Islamic Development REIT (SIDR). As per the term agreed, the loan is repayable on demand.

17. ACCRUED EXPENSES AND OTHER PAYABLES

	Note	2024	2023
		----------Rupees--------	
Accrued expenses	17.1	**24,468,409**	14,848,947
Sales tax payable		**22,859,932**	19,243,913
Withholding tax payable		**1,196,344**	215,359
Other liabilities		**519,251**	519,251
		49,043,936	34,827,470

17.1 This includes an amount of Rs. 12.33 million (2023: Rs. 9.75 million) payable to the Chief Executive Officer of the Company.

18. CONTINGENCIES AND COMMITMENTS

As of June 30, 2024, there were no material contingencies and commitments to report (2023: None).

	Note	2024	2023
		---------- Rupees --------	
19. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Management fee	19.1	**336,713,562**	245,370,167
Advisory fee		**-**	32,510,100
		336,713,562	277,880,267
Less: Sindh sales tax on services		**(40,151,330)**	(31,968,526)
		296,562,232	245,911,741

19.1 REIT management fee

	2024	2023
Billed		
Dolmen City REIT	**109,574,926**	97,329,239
Silk Islamic Development REIT	**8,544,657**	8,544,657
Globe Residency REIT	**11,864,999**	23,751,671
Rahat Residency REIT	**9,322,500**	8,482,739
Signature Residency REIT	**7,506,551**	2,330,625
Sapphire Bay Islamic Development REIT	**25,336,312**	-
Pakistan Corporate CBD REIT	**32,597,970**	-
	204,747,915	140,438,931
Unbilled		
Dolmen City REIT	**38,845,872**	36,879,403
Silk Islamic Development REIT	**25,505,343**	25,355,343
Globe Residency REIT	**19,915,001**	7,888,329
Rahat Residency REIT	**2,475,445**	10,162,261
Signature Residency REIT	**1,857,199**	-
Sapphire Bay Islamic Development REIT	**29,249,452**	24,645,900
Pakistan Corporate CBD REIT	**14,117,335**	-
	131,965,647	104,931,236
	336,713,562	245,370,167

19.2 The company has not recognized RMC fee on Silk World Islamic REIT, Gymkhana Apartment REIT, Meezan Centre REIT, Park View Apartment REIT and Naya Nazimabad Apartment REIT as there has been no operational / commercial activity during the year and has given waiver to certain REITs.

	Note	2024	2023
20. ADMINISTRATIVE AND OPERATING EXPENSES		---------- Rupees --------	
Salaries, allowances and benefits	20.1	**80,488,076**	83,676,818
Legal and professional		**1,703,148**	4,340,132
Office maintenance charges		**5,697,950**	6,387,291
Travelling expense		**17,000,686**	3,273,905
Depreciation on right-of-use assets		**-**	1,212,364
Insurance		**3,812,757**	2,660,867
Director meeting fee		**4,750,000**	2,000,000
Depreciation on property and equipment	4	**3,424,969**	1,503,770
Auditors' remuneration	20.2	**2,732,400**	1,153,000
Communication		**936,794**	851,399
Donation		**500,000**	9,801,458
Rent		**5,558,526**	2,955,345
Brokerage commission		**-**	17,600
Printing and stationery		**748,751**	705,265
Training and membership expense		**1,475,717**	2,142,647
Professional tax		**107,500**	29,990
Amortization on intangible assets	5	**117,876**	175,920
Other expenses		**7,195,444**	6,069,552
		136,250,594	128,957,323

20.1 Salaries and benefits include Rs. 3.7 million (2023: Rs. 3.2 million) in respect of contribution to voluntary pension scheme.

	Note	2024	2023
		---------- Rupees --------	

20.2 Auditors' remuneration

Annual audit fee		**1,200,000**	550,000
Half yearly review		**500,000**	275,000
Review of compliance with Code of Corporate Governance		**150,000**	100,000
Other services		**450,000**	50,000
Sales tax on services		**202,400**	78,000
Out of pocket expenses		**230,000**	100,000
		2,732,400	1,153,000

21. OTHER EXPENSES

Advertisement expense		**10,450,156**	13,545,219
		10,450,156	13,545,219

22. FINANCE COST

Mark-up on long term loan	14.1	**91,172,256**	71,591,014
Finance cost on diminishing musharaka		**1,197,213**	32,149
		92,369,469	71,623,163

23. OTHER INCOME

Mark-up on bank deposits		**5,857,166**	11,742,491
Liabilities no longer payable written back		**-**	522,410
Gain on sale of operating fixed assets		**-**	3,591
		5,857,166	12,268,492

24. LEVIES AND TAXATION

	Note	2024	2023 Restated
		---------- Rupees --------	
24.1 Final taxes		**-**	-
24.2 Revenue taxes		**-**	-
24.3 Income tax			
Current		**18,312,586**	13,249,193
Prior		**-**	(1,846,208)
		18,312,586	11,402,985
Deferred	24.4	**(46,113,856)**	98,774,694
		(27,801,270)	110,177,679

24.4 Deferred taxation - net

	June 30, 2024		
Deferred tax liability on taxable temporary differences	**Opening balance**	**Recognised in statement of profit or loss**	**Closing balance**
	----------------------------	Rupees	----------------------------
- Accelerated tax depreciation and amortization	**220,545**	**(3,856)**	**216,689**
- Long term investment	**99,006,000**	**(46,110,000)**	**52,896,000**
Deferred tax liability	**99,226,545**	**(46,113,856)**	**53,112,689**

	June 30, 2023 (Restated)		
Deferred tax liability on taxable temporary differences	Opening balance	Recognised in statement of profit or loss	Closing balance
	----------------------------	Rupees	----------------------------
- Accelerated tax depreciation and amortization	451,851	(231,306)	220,545
- Long term investment	-	99,006,000	99,006,000
Deferred tax liability	451,851	98,774,694	99,226,545

		2024	2023 Restated
25.	EARNINGS PER SHARE - BASIC AND DILUTED	---------- Rupees --------	
	(Loss) / profit after taxation	**(67,849,551)**	275,276,849
		---------- No of shares ---------	
	Weighted average number of ordinary shares	**20,000,000**	20,000,000
		----------Rupees--------	
	(Loss) / earnings per share - Basic and diluted	**(3.39)**	13.76

25.1 There was no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.

26. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in theses financial statements for remuneration, including all benefits, to the Chief Executive Officer, Directors and other executives of the Company are given below:

	Chief Executive		Directors		Other Executives	
	2024	2023	**2024**	2023	**2024**	2023
	-----	-----	Rupees	-----	-----	-----
Remuneration	**7,200,000**	7,200,000	-	-	**16,574,322**	19,483,197
Meeting fee	-	-	**4,750,000**	2,000,000		-
Contribution to Voluntary Pension Scheme	**720,000**	720,000	-	-	**1,464,925**	1,530,829
Other benefits (refer note 26.1)	**20,228,195**	17,188,892	-	-	**8,981,612**	9,034,824
	28,148,195	25,108,892	**4,750,000**	2,000,000	**27,020,859**	30,048,850
Number of persons	**1**	1	**6**	6	**4**	4

26.1 Other benefits include share of after tax profits of the Company, health insurance and reimbursement on account of medical and vehicle related costs such as petrol, maintenance, insurance, and driver in accordance with the terms of employment.

27. 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. Details of transactions carried out duly approved by Board of Directors and balances held with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2024	2023
	----------Rupees--------	
27.1 Transactions during the year:		
Dolmen City REIT -		
(A scheme managed by the Company)		
Receipt of expenses	**3,018,848**	933,179
Expenses paid	**2,889,858**	900,889
Management fee accrued	**148,420,798**	-
Management fee received	**146,456,227**	-
Silk Islamic Development REIT -		
(A scheme managed by the Company)		
Scheme set up costs paid	**3,853,303**	153,369,399
Receipt of set up costs	**14,544,395**	56,289,163
Management fee accrued	**34,050,000**	-
Management fee received	**33,900,000**	-

	2024	2023
	----------Rupees--------	
Silk World Islamic REIT -		
(A scheme managed by the Company)		
Project management costs paid	**20,909,352**	-
Scheme set up costs paid	**4,869,876**	22,141,161
Receipt of management costs	**20,909,352**	-
Arif Habib Development and Engineering Consultants (Private) Limited -		
(A scheme managed by the Company)		
Project management costs paid	**9,008,017**	64,510,000
Pakistan Corporate CBD REIT -		
(A scheme managed by the Company)		
Scheme set up costs paid	**1,776**	2,174,126
Receipt of set up costs	**2,470,336**	-
Management fee accrued	**46,715,305**	-
Management fee received	**32,597,970**	-
Globe Residency REIT -		
(A scheme managed by the Company)		
Scheme set up costs paid	**410,218**	1,123,325
Receipt of set up costs	**783,792**	3,159,167
Management fee accrued	**31,780,001**	-
Management fee received	**19,753,329**	-
Sapphire Bay Islamic Development REIT -		
(A scheme managed by the Company)		
Scheme set up costs paid	20,040,133	4,637,955
Receipt of set up costs	**28,664,033**	-
Management fee accrued	**54,585,766**	-
Management fee received	**49,982,214**	-
Naya Nazimabad Apartment REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	**2,257,536**	6,202,620
Receipt of set up costs	**3,421,234**	-
Management fee received	**25,114,172**	-
Rahat Residency REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	**290,184**	6,126,205
Receipt of set up costs	**303,950**	7,882,025
Management fee accrued	**11,797,945**	-
Management fee received	**19,484,754**	-
DHA Dolmen Lahore REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	**-**	1,440,755
Receipt of management fee	**39,550,000**	-
Signature Residency REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	**501,632**	-
Receipt of set up costs	**500,000**	-
Management fee accrued	**9,363,750**	-

	2024	2023
	----------Rupees--------	
Gymkhana Apartment REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	3,806,682	-
Receipt of set up costs	2,885,000	-
Management fee accrued	-	-
Management fee received	13,998,997	-
Sky Garden REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	735,000	-
Park View Apartment REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	1,001,513	-
Receipt of set up costs	250,000	-
Meezan Center REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	1,086,513	-
Receipt of set up costs	-	-
Arif Habib Limited		
(Associate Company due to common directorship)		
Brokerage commission paid	-	17,600
MCB Arif Habib Savings and Investment Limited		
(Associate Company due to common directorship)		
Paid against employer's VPS contribution paid	-	3,201,320
Arif Habib Corporation Limited		
(Associate Company due to common directorship)		
Payment against expenses	-	225,000
Javedan Corporation Limited		
(Associate Company due to common directorship)		
Expenses paid	1,866,700	4,207,455
Receipt against expenses	7,575,000	3,000,000
Rotocast Engineering Company (Private) Limited		
(Associate Company due to common directorship)		
Expenses incurred	11,117,761	4,261,954
Payment of expenses	11,054,887	1,537,511
Rent payment	2,553,066	2,318,256
Rent expense	5,561,526	-
Common shared expenses	1,268,402	6,638,772
Payment of common shared expenses	5,178,124	3,736,419
Administration charges	4,167,833	461,533
Payment of administration charges	3,203,697	295,480
Office Insurance	-	113,158

		2024	2023
		----------Rupees--------	
27.2	**Balances as at year end:**		
	Dolmen City REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**38,845,872**	-
	Receivable as at year end	**-**	82,375
	Payable as at year end	**46,615**	-
	Silk Islamic Development REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**25,505,343**	-
	Receivable against setup cost	89,063,477	99,754,569
	Silk World Islamic REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**52,826,596**	-
	Receivable against setup cost	**130,295,349**	125,425,474
	Arif Habib Development and Engineering Consultants (Private) Limited -		
	(A scheme managed by the Company)		
	Receivable against project management cost	**73,518,017**	64,510,000
	Pakistan Corporate CBD REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**14,117,335**	-
	Receivable against setup cost	**446,091**	2,914,651
	Globe Residency REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**19,915,001**	-
	Receivable against setup cost	**372,251**	745,825
	Sapphire Bay Islamic Development REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**29,249,452**	-
	Receivable against setup cost	**12,313,579**	5,511,605
	Advance against management fee	**15,500,000**	-
	Naya Nazimabad Apartment REIT -		
	(A scheme managed by the Company)		
	Advance against management fee	**25,114,172**	-
	Receivable against setup cost	**6,810,092**	7,973,790
	Rahat Residency REIT -		
	(A scheme managed by the Company)		
	Receivable against management fee	**2,475,445**	-
	Receivable against setup cost	**1,584**	15,350
	DHA Dolmen Lahore REIT -		
	(A scheme managed by the Company)		
	Advance against management fee	**39,550,000**	-
	Receivable against setup cost	**2,707,280**	2,707,280

	2024	2023
	----------Rupees--------	
Signature Residency REIT -		
(A scheme managed by the Company)		
Receivable against management fee	**2,371,875**	-
Receivable against setup cost	**1,632**	-
Advance against management fee	**514,676**	-
Gymkhana Apartment REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	**1,737,623**	-
Sky Garden REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	**1,901,305**	-
Park View Apartment REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	**400,916**	-
Meezan Center REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	**1,902,454**	-
Arif Habib Limited -		
(Associate Company due to common directorship)		
Payable as at year end	**10,556**	10,556
Arif Habib Corporation Limited -		
(Associate Company due to common directorship)		
Payable against legal expense	**-**	225,000
Javedan Corporation Limited -		
(Associate Company due to common directorship)		
Receivable as at year end	**2,220,887**	354,187
Payable as at year end	**7,575,000**	-
Rotocast Engineering Company (Private) Limited -		
(Associate Company due to common directorship)		
Payable against administration charges	**3,189,024**	3,126,150

28. FINANCIAL INSTRUMENTS

28.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

28.1.1 *Market risk*

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to any material price risk.

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Financial assets and liabilities include balances of Rs. 0.34 million (2023: Rs. 4.039 million) and Rs. 341.88 million (2023: Rs. 400 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

	2024	2023	**2024**	2023
	Effective interest rate (%)		**Carrying amount (Rs.)**	
Financial assets				
Bank deposits - pls account	**8 to 20.5**	15 to 19.5	**337,951**	4,038,846
Financial liabilities				
Long term loan	**22.99 to 23.6**	15.56 to 23.8	**333,333,333**	400,000,000
Diminishing musharaka	**22.77 to 23.9**	-	**8,541,818**	-

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Decrease / (increase) in profit	
	1% increase	**1% decrease**
	------------- **Rupees** -------------	
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial instruments	**3,415,372**	**(3,415,372)**
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial instruments	3,959,612	(3,959,612)

28.1.2 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single customer.

Credit risk of the Company arises principally from long term advances and deposits, receivable from schemes, loans and advances, other receivables, mark-up accrued on bank deposits and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		----------Rupees--------	
Long term advances and deposits		**8,254,906**	7,982,082
Receivable from schemes		**495,654,713**	471,307,330
Loans and advances		**8,869,735**	1,364,860
Receivable from related parties		-	436,562
Other receivables		**3,370,397**	2,270,884
Mark-up accrued on bank deposits		-	219,737
Bank balances	(a)	**339,505**	4,047,226
		516,489,256	487,628,681

The credit quality of receivable from scheme can be assessed with reference to their historical performance with negligible defaults in recent history.

The receivable from scheme are due from REIT schemes. Receivable from Silk World Islamic REIT amounting to Rs: 52.83 million are secured against advance of Silk Bank Limited. Management assesses the credit quality of receivable from schemes, taking into account their financial position, past experience and other factors.

Note (a) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	Rating agency	Short term rating	2024	2023
			----------Rupees--------	
National Bank of Pakistan	PACRA	AAA	**62,207**	211,831
Dubai Islamic Bank	JCR-VIS	A1+	**24,721**	2,817,840
Summit Bank Limited	JCR-VIS	-	**128**	128
Bank AL-Habib	PACRA	AAA	**229,727**	995,002
Askari Bank Limited	PACRA	AA+	**3,397**	3,348
Bank Islami Pakistan Limited	PACRA	AA-	**9,383**	9,280
The Bank of Punjab	PACRA	AA+	**9,942**	9,797
			339,505	4,047,226

28.1.3 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Company had cash and bank balance amounting to Rs. 0.35 million (2023: Rs. 4.072 million).

The following are the contractual maturities of financial liabilities:

	June 30, 2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Long term loan	333,333,333	333,333,333	66,666,667	66,666,667	199,999,999	-
Diminishing musharaka	8,541,818	8,541,818	949,092	949,092	6,643,634	-
Loan from a director	12,000,000	12,000,000	12,000,000	-	-	-
Advances in respect of scheme set-up costs	321,230,915	321,230,915	-	321,230,915	-	-
Accrued expenses and other payables	24,987,660	24,987,660	24,987,660	-	-	-
Accrued mark up	13,919,180	13,919,180	13,919,180	-	-	-
	714,012,906	714,012,906	118,522,599	388,846,674	206,643,633	-

	June 30, 2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Long term loan	400,000,000	400,000,000.00	-	66,666,667	333,333,333	-
Loan from a director	12,000,000	12,000,000	12,000,000	-	-	-
Advances in respect of scheme set-up costs	315,876,802	315,876,802	-	315,876,802	-	-
Accrued expenses and other payables	15,368,198	15,368,198	15,368,198	-	-	-
Accrued mark up	16,703,996	16,703,996	16,703,996	-	-	-
	759,948,996	759,948,996	44,072,194	382,543,469	333,333,333	-

28.2 Financial instruments by categories

As at June 30, 2024 **Financial assets**	June 30, 2024			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	Rupees			
Long term investment	782,400,000	-	-	782,400,000
Long term advances and deposits	-	-	8,254,906	8,754,906
Receivable from schemes	-	-	495,654,713	495,654,713
Loans and advances	-	-	8,869,735	8,869,735
Other receivables	-	-	3,370,397	3,370,397
Cash and bank balances	-	-	354,586	354,586
	782,400,000	-	516,504,337	1,299,404,337

As at June 30, 2024	Financial liabilities at amortized cost
Financial liabilities	-- Rupees --
Long term loan	333,333,333
Diminishing musharaka	8,541,818
Loan from a director	12,000,000
Advances in respect of scheme set-up costs	321,230,915
Accrued expenses and other payables	24,987,660
Accrued mark up on long term loan	13,919,180
	714,012,906

As at June 30, 2023 **Financial assets**	June 30, 2023			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	Rupees			
Long term investment	941,400,000	-	-	941,400,000
Long term advances and deposits	-	-	7,982,082	7,982,082
Receivable from schemes	-	-	471,307,330	471,307,330
Loans and advances	-	-	1,364,860	1,364,860
Receivable from related parties	-	-	436,562	436,562
Other receivables	-	-	2,270,884	2,270,884
Mark-up accrued on bank deposits	-	-	219,737	219,737
Cash and bank balances	-	-	4,071,916	4,071,916
	941,400,000	-	487,653,371	1,429,053,371

As at June 30, 2023	Financial liabilities at amortized cost
Financial liabilities	-- Rupees --
Long term loan	400,000,000
Loan from a director	12,000,000
Advances in respect of scheme set-up costs	315,876,802
Accrued expenses and other payables	15,368,198
Accrued mark up on long term loan	16,703,996
	759,948,996

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 01, 2023	Financing cash inflows	Financing cash outflows	Non cash changes / financial charges	June 30, 2024
	--------------------	--------------------	Rupees	--------------------	--------------------
Diminishing musharaka	-	8,700,000	(1,355,395)	1,197,213	8,541,818
Long term loan	400,000,000	-	(66,666,667)	-	333,333,333
	400,000,000	8,700,000	(68,022,062)	1,197,213	341,875,151

30. FAIR VALUE HIERARCHY

• Level 1 — quoted prices (unadjusted) in active markets for

• Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

• Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the reporting dates the fair value hierarchy of the Company's financial assets measured at fair value was as follows:

June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	----------	----------	Rupees	----------
Financial assets measured at fair value				
Long term investment	-	-	782,400,000	782,400,000

June 30, 2023	Level 1	Level 2	Level 3	Total
	----------	----------	Rupees	----------
Financial assets measured at fair value				
Long term investment	-	-	941,400,000	941,400,000

30.1 Measurement of fair values

30.1.1 Investment in Silk Islamic Development REIT - at fair value through profit or loss

The Company has valued this investment on fair value basis using the discounted cash flow technique considering the progress on the project. This method considers the present value of all future proceeds from SIDR, discounted using a risk adjusted discount rate which is taken at 22.7% (2023: 20.05%).The cash flow projections include specific estimated for the entire life of the project, which is estimated to be 10 years from the balance sheet date. Further, discounting due to lack of marketability factor (DLOM) is taken at 25% (2023: 25%) on the present value of all future prospects.

30.1.2 Valuation inputs and relationships to fair value

The following table summarises the quantitive information about the significant unobservable inputs used in level 3 fair value measurements of SIDR together with a quantitative sensitivity analysis.

Unobservable inputs	Range of inputs	Sensitivity of the inputs to fair value
Risk adjusted discount rate	22.7% (2023: 20.05%)	1% increase in the risk adjusted discount rate would result in decrease in fair value by Rs. 53.4 million (2023: 60.75 million); 1% decrease in the risk adjusted discount rate would result in increase in fair value by Rs. 57.6 million (2023: 65.8 million) as at June 30, 2024.
Discount for lack of marketability (DLOM)	20% - 30% 25% (2023: 25%)	3% increase /(decrease) in DLOM factor would result in increase/(decrease) in fair value by Rs. 31.8 million (2023: 37.66 million) as at June 30, 2024.

31. CAPITAL

31.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

31.2 Following is the quantitative analysis of what the Company manages as capital:

	2024	2023
	----------Rupees--------	
Borrowings:		
Long term loan	**333,333,333**	400,000,000
Diminishing musharaka	**8,541,818**	-
Shareholders' equity:		
Issued, subscribed and paid-up capital	**200,000,000**	200,000,000
Unappropriated profit / (loss) [excluding unrealized loss or gain on investment]	**412,174,778**	(20,375,671)
	612,174,778	179,624,329
Total capital managed by the Company	**954,049,929**	579,624,329

32. GENERAL

32.1 Number of employees

	2024	2023
	-------------- Number --------------	
Total number of employees as at year end	**31**	28
Average number of employees during the year	**29**	26

32.2 Date of authorisation of the financial statements for issue

These financial statements were authorised for issue on October 04, 2024 by the Board of Directors of the Company.

32.3 Level of rounding

In these financial statements, all the figures have been rounded off to the nearest rupee, unless otherwise indicated.

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Chief Financial Officer	Chief Executive	Director