

**Arif Habib Dolmen REIT
Management Limited**

Financial Statements for the year ended
June 30, 2025

Arif Habib Dolmen REIT Management Limited
Directors' Report
For the Year Ended June 30, 2025

The Board of Directors of Arif Habib Dolmen REIT Management Limited (the Company) is pleased to present the audited financial statements of the Company for the year ended June 30, 2025 (FY 2025).

Operational and Financial Results

The Company's core mandate remains the initiation and launch of new REIT schemes, the effective management of existing REITs, and advisory support to clients in onboarding new schemes. During FY 2025, the emphasis was placed on the management and consolidation of existing REITs. To date, the Company has launched fourteen REIT schemes, of which nine are currently operational, while the remaining schemes are at various stages of implementation.

For the year under review, the Company recorded revenue of PKR 438.909 million, reflecting a strong year-on-year growth of 48%. Dolmen City REIT (DCR) continued to be the leading contributor, accounting for 34.94% of total revenue, albeit lower than 44.38% in the preceding year. The management remains committed to diversifying revenue streams and reducing reliance on a single source.

In addition to revenue from DCR, the Company earned a return of 19.27% from the Sapphire Bay Islamic Development REIT, compared to 16.2% in the prior year. In line with its revenue recognition policy, management fees were charged only to REITs that are operational.

A summary of financial results is tabulated below:

Line Items	June 2025 (in Rs millions)	June 2024 (in Rs millions)
Operating Revenue – net	438.91	296.56
Administration expenses	(195.99)	(136.25)
Other expenses	(25.87)	(10.45)
Unrealized (loss) on remeasurement of investment in units of SIDR	(59.40)	(159)
Other Income	12.50	5.86
Finance Cost	(68.56)	(92.37)
Profit / (Loss) Before Tax	101.59	(95.65)
Profit / (Loss) After Tax	66.51	(67.85)
EPS / (LPS) – in rupees	3.33	(3.39)

Administration expenses increased by 30.50% compared to the previous year, primarily on account of office space expansion and salary revisions. The higher rental, maintenance, and employee-related

costs reflect the Company's operational growth and its continued commitment to enhancing efficiency.

Finance costs, however, declined during the year, largely due to a sharp reduction in the KIBOR rate from 21.49% to 12.09%.

Other income also recorded an increase, mainly attributable to the introduction of a Musharaka arrangement with Silk Islamic Development REIT (SIDR).

Following is a summary of operational REITs managed by the Company:

Dolmen City REIT (DCR)

Dolmen City REIT (DCR), Pakistan's first rental REIT, comprises Dolmen Mall Clifton and The Harbour Front Building, located on Sea View Road, Clifton, Karachi. DCR remains the country's largest rental REIT with a net asset value of PKR 76.52 billion.

The scheme maintained an occupancy rate of over 98.5% and generated annual rental income of PKR 5.78 billion. During the year, DCR declared a dividend of PKR 2.23 per unit, translating into an attractive annual dividend yield of 22.3% on par value.

Globe Residency REIT (GRR)

Globe Residency REIT (GRR) was launched in November 2021 and subsequently converted into a REIT scheme on March 30, 2022. The scheme comprises five FL sites located in Naya Nazimabad, Karachi, where construction work is progressing satisfactorily.

During the year, a change in the by-laws of the Lyari Development Authority (LDA) allowed for an increase in the permissible floor area ratio, resulting in a rise in the total number of apartments from 1,344 to 1,639. As of year-end, 78.04% of the available inventory (860 apartments out of 1,102) had been sold, with proceeds being prudently utilized to advance the construction process.

Handover of FL-04 is targeted for September 2025, followed by FL-03 in March 2026. Notably, 537 apartments are being constructed under a Musharaka arrangement with Meezan Bank. These units will be available for sale upon completion of the grey structure, which is nearing completion. Discussions with Meezan Bank are underway to commence sales in the second quarter of FY2026.

For FY2025, GRR declared a dividend of PKR 3.50 per unit, representing a robust annual dividend yield of 35% on par value.

Rahat Residency REIT (RRR)

Rahat Residency REIT (RRR) comprises five commercial sites located in Naya Nazimabad with a total area of 9,309 square yards. At present, projects on two sites have been launched, and the Company recorded revenue of PKR 284.35 million during the year.

The first phase, Rahat I, was inaugurated in December 2022. This project features both commercial and residential units, with more than 75% of the total inventory already sold. Construction work is progressing within the anticipated timeline. All commercial shops in Rahat I have been sold, with possession of 12 out of 18 shops handed over. Additionally, 50% of the residential apartments have been sold.

The second phase, Rahat II, commenced in December 2023. As of year-end, 58% of the overall inventory had been booked, with 94% of commercial shops and 40% of residential apartments already sold.

During the year, additional financing of PKR 100 million was secured to support working capital requirements.

Signature Residency REIT (SRR)

Signature Residency REIT (SRR) comprises two commercial sites located within Naya Nazimabad.

The first site was developed into Signature Tower, a mixed-use project launched in January 2023, featuring both commercial and residential units. As of the reporting date, 81% of the total available inventory had been sold, with construction progressing in accordance with the approved schedule. A key highlight during the year was the sale of the retail space within Signature Tower to Bank Alfalah, where the Bank is establishing its premium digital lifestyle branch.

The second commercial site, Com 109/1, was divested during the year to Mr. Jamil Shafi and Mr. Tahir Shafi. These transactions contributed to SRR's revenue of PKR 947.67 million for FY2025.

Reflecting its strong performance, SRR declared and paid a dividend of PKR 2.00 per unit for the year, representing an annual dividend yield of 20% on par value.

Naya Nazimabad Apartment REIT (NNAR)

Naya Nazimabad Apartment REIT (NNAR) comprises seven commercial sites located within Naya Nazimabad. As part of its expansion strategy, NNAR also acquired 146 residential plots, 70 commercial plots, and 76 retail shops in Lahore during the year.

In June 2024, NNAR launched the Peace Apartments Project - a mixed-use development in Naya Nazimabad, Karachi - featuring both commercial and residential units. To attract buyers, the Company introduced an affordable payment plan under which 70% of the price is payable during construction and the remaining 30% upon possession.

As of the year-end, sales progress included 393 out of 638 apartments sold and 126 out of 222 shops booked. Additionally, 376 new apartments were added to the inventory during the year, of which 14 have been sold to date. Furthermore, 152 new shops were added to the available inventory.

Silk Islamic Development REIT (SIDR)

The Sales Center and Model Apartments for the Silk Gardens project have been completed, along with the access road from Abdullah Chowk to the project site, ensuring direct connectivity and future expansion potential. The project is now nearing completion, with extensive plantation work successfully executed along the stretch from the site to Abdullah Chowk and extending further up to 4K Chowrangi. In addition, a plantation drive continues along the median, reinforcing the focus on vicinity development. With key development milestones achieved, the project is well-positioned for a public launch targeted in the second quarter of FY2026.

The design for COM-1 (5 acres) was initially finalized, and infrastructure works commenced, including the securing of an electrical connection from K-Electric and the initial water supply connection. However, the Company revised its development strategy by shifting focus from COM-1, located near the Surjani end, to COM-08, a 35-acre parcel situated inside the gated entrance of the community and adjacent to the well-inhabited Saima Arabian Villas.

This new site offers a stronger perception of safety and security due to its gated environment and proximity to an established residential community, enhancing both the commercial viability and sales potential of the retail component. Furthermore, COM-08 presents a more manageable scale, comprising 452 apartments and approximately 134,788 square feet of retail space, compared to COM-1's larger development of 928 apartments and 275,876 square feet of retail area.

This strategic shift better aligns the project with prevailing market dynamics and operational efficiencies, while strengthening its long-term commercial appeal.

Sapphire Bay Islamic Development REIT (SBIDR)

The acquisition of 2,000 acres of land has been completed, with final payments scheduled to be settled by 2026. Possession of a portion of the land has already been transferred. Meanwhile, the master planning of the project is currently in progress.

Pakistan Corporate CBD REIT (PCCR)

In June 2024, Pakistan Corporate CBD REIT (PCCR) completed the acquisition of 23 kanals of land (Prime 4 and Prime 5), with the full consideration duly paid to the Punjab Central Business District Development Authority. The Company also acquired an additional 5.19 kanals from the Authority, for which two installments have already been paid. The balance is scheduled to be settled through three semi-annual installments.

The management anticipates that the remaining REIT schemes will commence operations in Fiscal Year 2026.

Outlook for the REIT Sector – FY2025

- **Policy Rate at 11% Enhances Liquidity and Reduces Costs**

The State Bank of Pakistan has maintained its key policy rate at 11%, following a cumulative cut from 22%. This has significantly eased borrowing costs and bolstered liquidity for REIT-backed developments.

- **Inflation at Multi-Year Low Levels**

Inflation has moderated to approximately 3.5% in May 2025, with an average inflation rate of 4.49% for FY2024–25. These are the lowest levels seen in nearly a decade.

- **Surging Stock Market Reflects Investor Confidence**

The KSE-100 Index delivered an impressive 60% year-on-year gain in FY2025 - the strongest global performance for any major equity market during the period.

- **Urbanization, Housing Demand, and Diversifying REIT Products**

Ongoing urban expansion and infrastructure development continue to form a solid foundation for REIT growth across residential, commercial, and mixed-use segments. The introduction of Islamic and sector-specific REIT structures is broadening appeal to a diverse investor base.

- **Policy Push Toward Real Estate Formalization**

Government initiatives focusing on documentation, transparency, and revenue mobilization are expected to boost demand for REIT structures - valued for their regulated, tax-efficient nature and stable-income potential.

Overall, this favorable macroeconomic environment - characterized by low financing costs, contained inflation, strong market sentiment, and supportive regulatory momentum, positions REITs as compelling platforms to bridge capital markets with real estate, fostering economic growth while offering accessible, income-generating opportunities for investors.

Related Party Transactions

In compliance with the requirements of the REIT Regulations and the Listed Companies (Code of Corporate Governance) Regulations, all related party transactions were placed before the Audit Committee and the Board of Directors for their review and approval.

Sustainability, Corporate Responsibility, and DE&I

The Board remains committed to proactively managing sustainability-related risks through robust governance and oversight frameworks. These risks are regularly assessed, with strategies implemented to mitigate their impact as part of the Company's broader Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) agenda.

Key focus areas include reducing the Company's carbon footprint, conserving natural resources, advancing renewable energy initiatives, and promoting sustainable waste management practices.

In parallel, the Company places strong emphasis on Diversity, Equity, and Inclusion (DE&I) by fostering a diverse workforce, prioritizing employee well-being, and encouraging active community engagement. These initiatives reflect our commitment to responsible business practices and inclusive growth.

Directors' Remuneration

The Non-Executive Directors (including Independent Directors), other than those who concurrently serve as Executive Directors within any of the Arif Habib Group companies, are entitled to receive remuneration for attending meetings of the Board and its Committees, as approved by the Board from time to time. Furthermore, in instances where the Board assigns any additional roles or responsibilities to a Non-Executive Director, the Board shall determine appropriate remuneration commensurate with the nature and scope of such roles and responsibilities.

Directors' Attendance at Board and its Committee Meeting

During the year ended June 30, 2025, Nine (9) Board Meetings, Eight (8) 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	9	-	-
Mr. Nadeem Riaz	3	-	-
Mr. Naeem Ilyas	9	8	-
Ms. Aaiza Khan*	1	-	-
Mr. Muhammad Noman Akhter	9	7	-
Mr. Abdus Samad A. Habib	7	8	1
Mr. Faisal Nadeem	7	-	-
Mr. Sajid Ullah Sheikh	9	8	1
Mr. Muhammad Ejaz	7	-	1
Retired Director			
Ms. Tayyaba Rasheed	2	-	-

* Ms. Aaiza Khan has been appointed as Director on April 28, 2025

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. Aaiza Khan	Independent Director
Mr. Naeem Ilyas	Independent Director
Mr. Muhammad Ejaz	Chief Executive Officer

Committees of the Board:**Audit Committee**

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

Human Resource & Remuneration Committee

Ms. Aaiza Khan	Chairperson
Mr. Sajid Ullah Sheikh	Member
Mr. Abdus Samad A. Habib	Member
Mr Muhammad Ejaz	Member

Post Balance Sheet Events

There have been no material changes since 30th June 2025 to the date of this report.

Election of Directors

In accordance with the provisions of Section 161 of the Companies Act, 2017 (corresponding to Section 180 of the repealed Companies Ordinance, 1984), the three-year term of the eight elected Directors of the Company concluded in October 2024, upon which all Directors retired. Fresh elections were held on October 26, 2024, and the number of Directors, as fixed by the Board (eight), were elected

unopposed, with the exception of Ms. Tayyaba Rasheed, who retired. The resulting casual vacancy was subsequently filled through the appointment of Ms. Aaiza Khan on April 28, 2025.

Following the election, the Chairman, Chief Executive, and the Board Sub-Committees were also duly appointed.

Pattern of Shareholding

The pattern of share holding of the company as of June 30, 2025 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 at the conclusion of their term and being eligible, have offered themselves for reappointment for the financial year ending June 30, 2026. The auditors hold a satisfactory rating from the Institute of Chartered Accountants of Pakistan (ICAP) under its Quality Control Review Program.

Based on the recommendation of the Audit Committee, the Board of Directors recommends the reappointment of M/s. Yousuf Adil, Chartered Accountants, as external auditors of the Company for the year ending June 30, 2026, at a fee to be mutually agreed.

Acknowledgement

The Board of Directors extends its sincere appreciation to the Securities and Exchange Commission of Pakistan (SECP) and to all our business partners for their continued cooperation and support. The Board also acknowledges and commends the dedication and contributions of the Company's management team.

For and on behalf of the Board



Muhammad Ejaz
Chief Executive Officer



Arif Habib
Chairman

Karachi
September 02, 2025

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, 2025** 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, 2025**.


Chartered Accountants

Place: Karachi

Date: September 25, 2025

UDIN: CR202510099nijKsBv4Z



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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

Arif Habib Dolmen REIT Management Limited
June 30, 2025

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

1. The total number of directors are 9 (Nine) comprising of eight elected directors and one deemed director, composition is as follows:
 - a) Male: 8 members
 - b) Female: 1 member
2. The composition of the Board of Directors ('the Board') is as follows:

Category	Names
Independent Director	Mr. Naeem Ilyas Mr. Muhammad Noman Akhter
Non-Executive Director	Mr. Arif Habib - Chairman Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajid Ullah Sheikh
Female Director (Independent Director)	Ms. Aaiza Khan
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 a complete record of particulars of significant policies along with the dates 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, REIT Regulations, 2022 and the Regulations;
7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;



8. The Board 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 Directors' 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) Audit Committee

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

Ms. Aaiza Khan	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Ejaz	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
 - a) Audit Committee: 8 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



ARIF HABIB DOLMEN

REIT MANAGEMENT LIMITED

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

Reg. No	Requirement	Explanation 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.	The Company's Code of Conduct and Human Resource Policy broadly address relevant workplace matters; however, the management is reviewing them in light of the SECP's amendments to Regulation No. 10 on June 12, 2024.
10A	The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.	The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives, and the management is reviewing these in light of the SECP's amendments to Regulation No. 10 on June 12, 2024."
24	Same person shall not simultaneously hold office of chief financial officer and the company secretary 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 & 30	The Board may constitute separate committees, designated as the nomination committee and risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board oversees these matters through its governance framework, considering its members suitably qualified given the Company's scale and structure. This approach is regularly reviewed for alignment with best practices and regulations.
19(3)	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	As it is not a mandatory requirement, the Company has not arranged training this year. However, the Company strives to follow best practices and will be arranging the said training in 2026.


Muhammad Ejaz
Chief Executive

Karachi


Arif Habib
Chairman



**ARIF HABIB DOLMEN REIT MANAGEMENT
LIMITED**

Financial Statements
For The Year Ended June 30, 2025

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, 2025**, and the statement of profit or loss, statement of 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 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, statement of 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, 2025 and of the profit, the 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, 2025, 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, statement of 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).

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

Yousuf Adil
Chartered Accountants

Place: Karachi

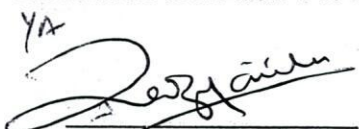
Date: September 17, 2025

UDIN: AR202510099lwAU8Fq2J

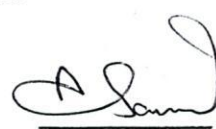
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025	June 30, 2024
		-----Rupees-----	
ASSETS	Note		
Non-current assets			
Property and equipment	4	44,584,798	17,267,448
Intangible assets	5	160,348	239,320
Long term investment	6	723,000,000	782,400,000
Long term advances and deposits	7	145,808,200	8,254,906
		<u>913,553,346</u>	<u>808,161,674</u>
Current assets			
Receivable from schemes	8	527,434,942	495,654,713
Loans and advances	9	13,043,111	8,869,735
Prepayments and other receivables	10	10,039,784	4,682,529
Cash and bank balances	11	16,761,348	354,586
Taxation - net		6,460,556	9,322,716
		<u>573,739,741</u>	<u>518,884,279</u>
Total assets		<u><u>1,487,293,087</u></u>	<u><u>1,327,045,953</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital	12	200,000,000	200,000,000
Revenue reserves			
Unappropriated profit		<u>320,846,307</u>	<u>253,174,778</u>
		<u>520,846,307</u>	<u>453,174,778</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	24.2	38,485,763	53,112,689
Diminishing musharaka	13	29,494,540	6,643,634
Long-term loan from a banking company	14	266,666,665	199,999,999
		<u>334,646,968</u>	<u>259,756,322</u>
Current liabilities			
Advances	15	397,071,022	403,920,219
Loan from a director	16	15,000,000	12,000,000
Accrued expenses and other payables	17	76,664,821	49,043,936
Current maturity of long-term loan	14	133,333,334	133,333,334
Current maturity of diminishing musharaka	13	3,794,460	1,898,184
Accrued mark up on long-term loan		5,936,175	13,919,180
		<u>631,799,812</u>	<u>614,114,853</u>
Contingencies and commitments	18		
Total equity and liabilities		<u><u>1,487,293,087</u></u>	<u><u>1,327,045,953</u></u>

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

YK

Chief Financial Officer


Chief Executive


Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- Rupees -----	
Revenue from contracts with customers	19	438,909,976	296,562,232
Administrative and operating expenses	20	(195,994,329)	(136,250,594)
		<u>242,915,647</u>	<u>160,311,638</u>
Unrealized gain / (loss) on remeasurement of investment in units of Silk Islamic Development REIT		(59,400,000)	(159,000,000)
Other expenses	21	(25,868,028)	(10,450,156)
Other income	23	12,495,327	5,857,166
		<u>(13,372,701)</u>	<u>(4,592,990)</u>
		<u>170,142,946</u>	<u>(3,281,352)</u>
Finance costs	22	(68,555,442)	(92,369,469)
Profit / (loss) before taxation		<u>101,587,504</u>	<u>(95,650,821)</u>
Taxation	24	(33,915,975)	27,801,270
Profit / (loss) after taxation		<u>67,671,529</u>	<u>(67,849,551)</u>
Earnings per share - basic and diluted	25	<u>3.38</u>	<u>(3.39)</u>

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

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Chief Financial Officer


Chief Executive


Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

June 30, 2025 June 30, 2024
-----Rupees-----

Profit / (loss) after taxation	67,671,529	(67,849,551)
Other comprehensive income	-	-
Total comprehensive income	<u>67,671,529</u>	<u>(67,849,551)</u>

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, 2025

	Issued, subscribed and paid-up capital	Unappropriated profits	Total
	----- Rupees -----		
Balance as at June 30, 2023 (restated)	200,000,000	321,024,329	521,024,329
<i>Total comprehensive income for the year</i>			
- 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
<i>Total comprehensive income for the year ended June 30, 2025</i>			
- Profit after taxation	-	67,671,529	67,671,529
- Other comprehensive income	-	-	-
	-	67,671,529	67,671,529
Balance as at June 30, 2025	200,000,000	320,846,307	520,846,307

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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation

	June 30, 2025	June 30, 2024
Note	-----Rupees-----	
	101,587,504	(95,650,821)

Adjustment for non-cash and other items:

- Depreciation on property and equipment
- Amortisation of intangible assets
- Markup accrued on bank deposits
- Finance costs
- Markup accrued on investment
- Gain on disposal of property plant and equipment
- Unrealized loss / (gain) on remeasurement of investment in SIDR

4	6,544,373	3,424,969
5	78,972	117,876
23	(8,149,346)	(5,857,166)
	68,555,442	92,369,469
	(2,418,203)	-
	(1,927,778)	-
	59,400,000	159,000,000
	122,083,460	249,055,148

**Cash generated from operating activities
before working capital changes**

223,670,964	153,404,327
-------------	-------------

Working capital changes

(Increase) / decrease in current assets

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

8	(31,780,229)	(24,347,383)
	(4,173,376)	(7,504,875)
	(2,939,052)	(1,011,542)
	(38,892,657)	(32,863,800)

Increase / (decrease) in current liabilities

- Advances in respect of management fee
- Accrued expenses and other payables

17	(5,547,892)	35,632,753
	27,620,885	14,216,466
	22,072,993	49,849,219
	206,851,300	170,389,746

Cash generated from operations

Long term advances and deposits

Finance cost paid

Taxes paid

(137,553,294)	(272,824)
(74,664,635)	(93,957,072)
(45,680,741)	(16,433,915)

Net cash (used in) / generated from operating activities

(51,047,370)	59,725,935
--------------	------------

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property and equipment

Proceeds from disposal of property and equipment

Markup received

Net cash used in investing activities

4	(44,333,947)	(15,552,219)
	12,400,000	-
	8,149,346	6,076,903
	(23,784,601)	(9,475,316)

CASH FLOWS FROM FINANCING ACTIVITIES

Advances received in respect of scheme set-up costs

Loan received from a director

Diminishing musharaka - obtained

Long term loan - repaid

Long term loan - Obtained

Diminishing musharaka - repaid

Net cash generated from / (used in) financing activities

(1,301,305)	5,354,113
3,000,000	-
33,289,000	8,700,000
(133,333,334)	(66,666,667)
200,000,000	-
(10,415,628)	(1,355,395)
91,238,733	(53,967,949)

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

16,406,762	(3,717,330)
354,586	4,071,916
11	16,761,348
	354,586

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


Chief Financial Officer


Chief Executive


Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 January 10, 2025. (AM2+ on December 11, 2023).

- 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	1,000	3-Aug-22	24-Jun-22	Not listed
8)	Naya Nazimabad Apartments REIT	Development REIT	Naya Nazimabad, Karachi	7 Years	2,938	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	330	14-Jun-23	22-Mar-23	Not listed
11)	Gymkhana Apartment REIT	Development REIT	Naya Nazimabad, Karachi	7 Years	1,200	27-Dec-23	20-Jun-23	Not listed
12)	Garden View Apartment REIT (Formerly Park View Apartment REIT)	Development REIT	Naya Nazimabad, Karachi	4-5 Years	2,157	9-Apr-24	20-Jun-23	Not listed
13)	Hill View Apartment REIT (Formerly Meezan Center REIT)	Development REIT	Naya Nazimabad, Karachi	4-5 Years	1,304	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, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements

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

The following standard and amendments are 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 / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- 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, 2026
- IFRS 7 - Financial Instruments: Disclosures	July 01, 2025 /January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, 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

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 to 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
Naya Nazimabad Apartment REIT (NNAR)	1% of current average fund size
Hill View Apartment REIT (Meezan center)	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 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, 2024	Additions	(Deletions)	As at June 30, 2025	As at July 01, 2024	For the year	(Deletions)	As at June 30, 2025	As at June 30, 2025	
(Rupees)										%
Owned										
Furniture & Fixtures	1,863,654	109,650	-	1,973,304	604,094	197,158	-	801,252	1,172,052	15
Office Equipments	721,702	92,000	-	813,702	206,358	88,802	-	295,160	518,542	15
Computer and allied equipment	6,312,018	1,182,337	-	7,494,355	3,874,839	1,045,508	-	4,920,347	2,574,008	33
Telecommunication equipment	868,208	836,000	-	1,704,208	633,918	202,386	-	836,304	867,904	33
Vehicles	408,400	-	-	408,400	262,880	50,880	-	313,760	94,640	20
	10,173,982	2,219,987	-	12,393,969	5,582,089	1,584,734	-	7,166,823	5,227,146	
Musharaka assets*										
Vehicles	14,500,000	42,113,960	14,500,000	42,113,960	1,824,445	4,959,639	4,027,778	2,756,306	39,357,654	20
	24,673,982	44,333,947	14,500,000	54,507,929	7,406,534	6,544,373	4,027,778	9,923,129	44,584,798	

For comparative period

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	
	9,121,763	15,552,219	-	24,673,982	3,981,565	3,424,969	-	7,406,534	17,267,448	

* 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.

4.1 Details of disposals of operating fixed assets having book value of more than Rs. 500,000 during the year are as follows:

Description	Cost / Revaluation	Accumulated Depreciation	Carrying Value	Sale Proceeds	Gain / (loss)	Relationship of purchaser with Company	Mode of Disposal	Particulars of purchaser
	Rupees							
Vehicles	14,500,000	4,027,778	10,472,222	12,400,000	1,927,778	Not Applicable	Negotiation	Mr. Yasir Abdul Jabbar
June 30, 2025	14,500,000	4,027,778	10,472,222	12,400,000	1,927,778			
June 30, 2024	-	-	-	-	-			

		June 30, 2025	June 30, 2024
		-----Rupees-----	
5. INTANGIBLE ASSET			
Computer Software		<u>160,348</u>	<u>239,320</u>
Opening written down value		<u>239,320</u>	<u>357,196</u>
Addition during the year		-	-
Less: Amortization during the year		<u>(78,972)</u>	<u>(117,876)</u>
Written down value		<u>160,348</u>	<u>239,320</u>
Amortization rate		<u>33%</u>	<u>33%</u>
6. LONG TERM INVESTMENT	Note	June 30, 2025	June 30, 2024
- at fair value through profit or loss		-----Rupees-----	
Investment in Silk Islamic Development REIT	6.1	<u>723,000,000</u>	<u>782,400,000</u>
		<u>723,000,000</u>	<u>782,400,000</u>
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 Depository 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		June 30, 2025	June 30, 2024
Unsecured, considered good	Note	-----Rupees-----	
Long term advances	7.1	<u>5,445,700</u>	<u>8,042,406</u>
Advance to Silk Islamic Development REIT - Musharaka	7.2	<u>140,000,000</u>	<u>-</u>
Security deposit		<u>362,500</u>	<u>212,500</u>
		<u>145,808,200</u>	<u>8,254,906</u>
7.1	This represent loans extended to employees and executives 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. This is interest free and secured against salary. These are not discounted to present value as the impact of is immaterial in the overall context of the financial statements.		
7.2	This represents 140 million rupees paid to Silk Islamic Development REIT against Musharaka Agreement by Arif Habib Dolmen REIT Management Limited (Musharaka Participant). There are 5 Musharaka participants and each participant will contribute 100 million rupees in Silk Islamic Development REIT with their respective percentage of contribution (20%) each as per Musharaka Agreement. Later on, First Supplemental to the Musharaka Agreement executed and it was agreed that, further 80 million rupees will be contributed by each Musharaka Participant. Up to June 30, 2025, Rs. 40 million has been contributed by the Company against this additional commitment, while the balance of Rs. 40 million remains outstanding. The Musharaka carries a mark-up at the rate of KIBOR + 2%.		
8. RECEIVABLE FROM SCHEMES	Note	June 30, 2025	June 30, 2024
		-----Rupees-----	
Management fee scheme	8.1	<u>192,455,074</u>	<u>184,792,243</u>
Scheme setup cost	8.2	<u>256,800,495</u>	<u>237,344,453</u>
Other receivable from scheme	8.3	<u>78,179,373</u>	<u>73,518,017</u>
		<u>527,434,942</u>	<u>495,654,713</u>

	Note	June 30, 2025	June 30, 2024
		-----Rupees-----	
8.1 Management fee scheme			
Secured			
Silk World Islamic REIT	8.1.1	52,826,596	52,826,596
Unsecured			
Dolmen City REIT		47,065,735	38,845,872
Silk Islamic Development REIT		25,805,343	25,505,343
Globe Residency REIT		8,050,000	19,915,001
Rahat Residency REIT		9,064,528	2,475,445
Pakistan Corporate CBD REIT		23,072,417	14,117,335
Signature Residency REIT		946,153	1,857,199
Sapphire Bay Islamic Development REIT		25,624,302	29,249,452
		139,628,478	131,965,647
		192,455,074	184,792,243

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, 2024: Rs. 305.877 million).

8.1.2 The maximum amount due from related parties at the end of any month during the year aggregated to Rs. 45.23 million (2024: Rs. 38.49 million).

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, 2025				
	Land Development costs	Fees and subscription	legal and professional charges	Other expenses	Total
	-----Rupees-----				
Silk Islamic Development REIT	99,214,193	-	-	-	99,214,193
Silk World Islamic REIT	103,823,220	22,278,753	2,538,829	3,733,547	132,374,349
Pakistan Corporate CBD REIT	-	-	-	297,986	297,986
Globe Residency REIT	-	-	-	977,001	977,001
Signature Residency REIT	-	-	-	591,132	591,132
Sapphire Bay Islamic Development REIT	-	-	-	839,714	839,714
DHA Dolmen Lahore REIT	-	58,255	1,000,000	1,649,025	2,707,280
Dolmen City REIT	-	-	-	311,613	311,613
Naya Nazimabad Apartments REIT	-	-	-	7,828,901	7,828,901
Rahat Residency REIT	-	-	-	589,084	589,084
Gymkhana Apartment REIT	-	-	-	2,956,433	2,956,433
Meezan Center REIT	-	-	-	2,202,454	2,202,454
Taj Boulevard Towers	-	-	614,500	-	614,500
Others	-	1,212,075	3,478,398	605,382	5,295,855
	203,037,413	23,549,083	7,631,727	22,582,272	256,800,495

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

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.

8.3.1 As at June 30, 2025, receivables from related parties aggregating to Rs. 527.43 million (2024: Rs. 495.65 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

	2025	2024
	-----Rupees-----	
Upto 3 months	136,872,104	91,931,097
3 to 6 months	15,033,420	48,178,225
More than 6 months	375,529,418	355,545,391
	527,434,942	495,654,713

Note

9. LOANS AND ADVANCES

Loans to employees	8,846,041	476,805
Advances to employees	4,197,070	8,392,930
	13,043,111	8,869,735

10. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	1,500,272	1,312,132
Other receivable	8,539,512	3,370,397
	10,039,784	4,682,529

11. CASH AND BANK BALANCES

Cash in hand	37,626	15,081
Cash at bank		
Saving accounts	16,543,770	337,951
Current accounts	179,952	1,554
	16,723,722	339,505
	16,761,348	354,586

11.1 These carry markup at the rates ranging from 8% to 11% (2024: 8.00% to 20.5%) per annum.

12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
(Number of shares)			-----Rupees-----	
50,000,000	50,000,000	Authorized capital		
		Ordinary shares @ Rs. 10 each	500,000,000	500,000,000
		Issued, subscribed and paid-up capital		
		Ordinary share 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.

13. DIMINISHING MUSHARAKA	Note	June 30, 2025	June 30, 2024
		-----Rupees-----	
Opening balance		8,541,818	-
Additions during the year	13.1	33,289,000	8,700,000
Finance cost incurred during the year		1,873,810	1,197,213
Payments during the year		(10,415,628)	(1,355,395)
		33,289,000	8,541,818
Less: Current maturity shown under current liabilities		(3,794,460)	(1,898,184)
		29,494,540	6,643,634

- 13.1 During the year, company has obtained two Diminishing-Musharaka facilities amounting PKR 6,889,000/- & 26,400,000/- for the purchase of vehicles. Both facilities are subject to profit at 6-month KIBOR + 1.5% and are secured by way of charge over the respective Musharaka assets. The titles of the underlying assets are held jointly by the Company and the financial institution, with ownership interests of 20% and 80%, respectively. One facility is repayable in 48 monthly installments after a grace period of one year, while the other is repayable in 54 monthly installments after a 6-month grace period.

14. LONG TERM LOAN FROM A BANKING COMPANY	Note	June 30, 2025	June 30, 2024
		-----Rupees-----	
Loan from M/s. Bank Al Habib Limited	14.1	199,999,999	333,333,333
Less: Current maturity shown under current liabilities		(133,333,334)	(133,333,334)
		66,666,665	199,999,999
Loan from M/s. United Bank Limited	14.2	200,000,000	-
Less: Current maturity shown under current liabilities		-	-
		200,000,000	-

- 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 Musharika Financing in order to fund the two-third portion of the Company's 20% investment in the units of Silk Islamic Development REIT (SIDR). Subsequently, in April 2022, the bank approved the revised terms and conditions of the facility which are as follows:

- (a) The profit is calculated at 6-Month average KIBOR + 1.5% (with a floor of 5% p.a. and a cap of 25% p.a.). The average KIBOR is to be reviewed on the first day of the each semi-annual period (commencing from the aforementioned date of the revision in terms and conditions of the financing facility which were negotiated in April 2022). The tenor of financing is 5 years from the date of disbursement (including 2 years grace period). The rental will be recovered on quarterly basis and the bank's share in the shape of units will also be purchased on a semi-annual basis.
- (b) The financing arrangement is secured against the following:
- (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, 2024: 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.

14.2 In December 2024, the Company has obtained a long term financing, amounting to Rs. 200 million, from M/s. United Bank Limited to facilitate the REIT Management Company in increasing its market share by identifying & investing in new REITs and expanding its operation. The tenor of financing is 4 years from the date of disbursement (including 18 months grace period). Payment to be made in ten (10) quarterly installments with the principal payment to commence after the end of the grace period, the bank approved the terms and conditions of the facility which are as follows:

- (a) The profit is calculated at 3-Month average KIBOR + 2.25%. The average KIBOR is to be reviewed on the first day of the every quarter. The tenor of financing is 4 years from the date of disbursement (including 18 months 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 quarterly basis.
- (b) The financing arrangement is secured against the following:
- (i) Assignment over REIT management fee from Dolmen City REIT (DCR), or any other REIT, of approximately PKR 40 Mln per annum. SECP charge to be registered.
 - (ii) Pledge over shares of M/S Arif Habib Corporation Ltd. (or any of the group companies) inclusive of a 35% margin. The shares may be owned directly by the RMC or indirectly by the sponsors and / or any of the group companies.

15. ADVANCES

Advances in respect of scheme set-up costs

	Note	June 30, 2025	June 30, 2024
		----- Rupees -----	
- Silk Bank Limited	15.1	305,876,802	305,876,802
- Business Vision (Private) Limited	15.2	8,098,695	10,000,000
- Javedan Corporation Limited		5,354,113	5,354,113
- Taj Boulevard Towers		600,000	-
		319,929,610	321,230,915

Advances in respect of management fee

- DHA Dolmen Lahore REIT		39,550,000	39,550,000
- Naya Nazimabad Apartment REIT		16,399,173	25,114,172
- Gymkhana Apartment REIT		17,477,354	13,998,997
- Sapphire Bay Islamic Development REIT		3,714,885	4,026,135
		77,141,412	82,689,304
		397,071,022	403,920,219

- 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	June 30, 2025 ----- Rupees -----	June 30, 2024 ----- Rupees -----
Loan from Mr. Arif Habib	16.1	<u>15,000,000</u>	<u>12,000,000</u>

- 16.1** This represents a loan amounting to Rs. 15 Million (June 30, 2024: 12 Million), received from director of the company, Mr. Arif Habib. Out of total loan, Rs. 12 Million was funded for the advertisement costs incurred on behalf of Silk Islamic Development REIT (SIDR) while, Rs. 3 Million was funded for the unit issuance of Park View Apartment REIT (PVAR). The loan is subject to profit at 6-month KIBOR + 1.8%. As per the term agreed, the loan is repayable on demand.

17. ACCRUED EXPENSES AND OTHER PAYABLES	June 30, 2025 ----- Rupees -----	June 30, 2024 ----- Rupees -----
Accrued expenses	33,766,641	24,468,409
Sales tax payable	37,592,107	22,859,932
Withholding tax payable	5,306,073	1,196,344
Other liabilities	-	519,251
	<u>76,664,821</u>	<u>49,043,936</u>

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no contingencies as at June 30, 2025 (2024: None).

18.2 Commitments

The Company, as a Musharaka Participant, entered into a Musharaka Agreement dated 29 June 2024 with Silk Islamic Development REIT along with four other participants, whereby each participant was required to contribute PKR 100 million, representing a 20% share of the Musharaka. Subsequently, through a First Supplemental Agreement dated 6 November 2024, it was mutually agreed that an additional contribution of PKR 80 million will be made by each participant. Against this commitment, the Company has contributed PKR 140 million up to the reporting date, while the remaining PKR 40 million is payable in accordance with the terms of the agreement.

June 30, 2025

June 30, 2024

Note

----- Rupees -----

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Management fee	19.1	485,367,105	336,713,562
Advisory fee		18,584,595	-
		<u>503,951,700</u>	<u>336,713,562</u>
Less: Sindh sales tax on services		<u>(65,041,724)</u>	<u>(40,151,330)</u>
		<u>438,909,976</u>	<u>296,562,232</u>

19.1 REIT management fee

Dolmen City REIT	169,600,275	148,420,798
Silk Islamic Development REIT	34,500,000	34,050,000
Globe Residency REIT	32,200,000	31,780,000
Rahat Residency REIT	11,500,000	11,797,945
Signature Residency REIT	6,805,007	9,363,750
Sapphire Bay Islamic Development REIT	93,529,269	54,585,764
Pakistan Corporate CBD REIT	88,292,666	46,715,305
Naya Nazimabad Apartment REIT	33,781,250	-
Hill View Apartment REIT	15,158,638	-
	<u>485,367,105</u>	<u>336,713,562</u>

19.2 REIT management fee**Billed**

Dolmen City REIT	121,814,256	109,574,926
Silk Islamic Development REIT	8,625,000	8,544,657
Globe Residency REIT	24,150,000	11,864,999
Rahat Residency REIT	2,412,054	9,322,500
Signature Residency REIT	5,858,856	7,506,551
Sapphire Bay Islamic Development REIT	68,018,861	25,336,312
Pakistan Corporate CBD REIT	65,220,765	32,597,970
Naya Nazimabad Apartment REIT	33,781,250	-
Hill View Apartment REIT (Meezan Centre REIT)	15,158,637	-
	<u>345,039,679</u>	<u>204,747,915</u>

Unbilled

Dolmen City REIT	47,786,019	38,845,872
Silk Islamic Development REIT	25,875,000	25,505,343
Globe Residency REIT	8,050,000	19,915,001
Rahat Residency REIT	9,087,946	2,475,445
Signature Residency REIT	946,151	1,857,199
Sapphire Bay Islamic Development REIT	25,510,408	29,249,452
Pakistan Corporate CBD REIT	23,071,901	14,117,335
	<u>140,327,425</u>	<u>131,965,647</u>
	<u>485,367,104</u>	<u>336,713,562</u>

- 19.3** The company has not recognized RMC fee on Silk World Islamic REIT, Gymkhana Apartment REIT and Park View Apartment REIT as there has been no operational / commercial activity during the year and therefore has given waiver to above REITs.

		June 30, 2025	June 30, 2024
	Note	----- Rupees -----	
20. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits	20.1	121,794,299	80,488,076
Legal and professional		3,763,423	1,703,148
Office maintenance charges		11,540,674	5,697,950
Travelling expense		13,964,114	17,000,686
Insurance		3,534,272	3,812,757
Director meeting fee		2,650,000	4,750,000
Depreciation on property and equipment	4	6,544,373	3,424,969
Auditors' remuneration	20.3	3,278,880	2,732,400
Communication		821,346	936,794
Donation	20.2	2,550,000	500,000
Rent		11,418,643	5,558,526
Printing and stationery		550,460	748,751
Training and membership expense		2,509,492	1,475,717
Professional tax		132,500	107,500
Amortization on intangible assets	5	78,972	117,876
Other expenses		10,862,881	7,195,444
		195,994,329	136,250,594

20.1 Salaries and benefits include Rs. 5.37 million (2024: Rs. 3.7 million) in respect of contribution to voluntary pension scheme.

20.2 A donation of Rs. 2,550,000 was made to support educational and developmental activities.

	Note	2025	2024
		----- Rupees -----	
20.3 Auditors' remuneration			
Annual audit fee		1,440,000	1,200,000
Half yearly review		600,000	500,000
Review of compliance with Code of Corporate Governance		180,000	150,000
Other assurance services		540,000	450,000
Sales tax on services		242,880	202,400
Out of pocket expenses		276,000	230,000
		3,278,880	2,732,400

21. OTHER EXPENSES

Advertisement expense	25,868,028	10,450,156
	25,868,028	10,450,156

22. FINANCE COSTS

Mark-up on long term loan	65,531,632	91,172,256
Finance cost on diminishing musharaka	1,873,810	1,197,213
Bank facility charges	1,150,000	-
	68,555,442	92,369,469

23. OTHER INCOME

Mark-up on bank deposits	8,149,346	5,857,166
Mark-up on investment	2,418,203	-
Gain on sale of operating fixed assets	1,927,778	-
	12,495,327	5,857,166

	Note	2025 ----- Rupees -----	2024
24. LEVIES AND TAXATION			
24.1 Income tax			
Current		48,542,901	18,312,586
Prior		-	-
		<u>48,542,901</u>	<u>18,312,586</u>
Deferred	24.2	<u>(14,626,926)</u>	<u>(46,113,856)</u>
		<u>33,915,975</u>	<u>(27,801,270)</u>

24.2 Deferred taxation - net

	June 30, 2025		
Deferred tax liability on taxable temporary differences	Opening balance	Recognised in statement of profit or loss	Closing balance
	----- Rupees -----		
- Property and equipment and intangibles	(216,689)	(1,369,074)	(1,585,763)
- Long term investment	(52,896,000)	15,996,000	(36,900,000)
Deferred tax liability	<u>(53,112,689)</u>	<u>14,626,926</u>	<u>(38,485,763)</u>
	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	<u>(99,226,545)</u>	<u>46,113,856</u>	<u>(53,112,689)</u>

	2025 ----- Rupees -----	2024
25. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit / (loss) after taxation	<u>67,671,529</u>	<u>(67,849,551)</u>
	----- No of shares -----	
Weighted average number of ordinary shares	<u>20,000,000</u>	<u>20,000,000</u>
	-----Rupees-----	
(Loss) / earnings per share - Basic and diluted	<u>3.38</u>	<u>(3.39)</u>

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, 2025 and June 30, 2024.

26. REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these 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	
	2025	2024	2025	2024	2025	2024
	-----Rupees-----					
Remuneration	7,200,000	7,200,000	-	-	23,624,656	16,574,322
Meeting fee	-	-	2,650,000	4,750,000	-	-
Contribution to Voluntary Pension Scheme	720,000	720,000	-	-	2,272,323	1,464,925
Other benefits (refer note 26.1)	3,835,523	2,774,509	-	-	21,942,149	8,981,612
	<u>11,755,523</u>	<u>10,694,509</u>	<u>2,650,000</u>	<u>4,750,000</u>	<u>47,839,128</u>	<u>30,048,850</u>
Number of persons	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

26.1 Other benefits include 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:

	Percentage of shareholding	2025	2024
		-----Rupees-----	
27.1 Transactions during the year:			
Dolmen City REIT - (A scheme managed by the Company)			
Receipt of expenses		6,035,050	3,018,848
Expenses paid		6,393,278	2,889,858
Management fee accrued		169,600,275	148,420,798
Management fee received		161,380,412	146,456,227
Silk Islamic Development REIT - (A scheme managed by the Company)			
Scheme set up costs paid	20%	10,150,716	3,853,303
Receipt of set up costs		-	14,544,395
Prior year sales tax adjustment		300,000	-
Management fee accrued		34,500,000	34,050,000
Management fee received		34,500,000	33,900,000
Silk World Islamic REIT - (A scheme managed by the Company)			
Project management costs paid		2,079,000	20,909,352
Scheme set up costs paid		-	4,869,876
Receipt of management costs		-	20,909,352
Arif Habib Development and Engineering Consultants (Private) Limited - (Associate Company due to common directorship)			
Project management costs paid		4,661,356	9,008,017

2025 2024
-----Rupees-----

Pakistan Corporate CBD REIT -

(A scheme managed by the Company)

Scheme set up costs paid	-	1,776
Receipt of set up costs	<u>148,105</u>	<u>2,470,336</u>
Management fee accrued	<u>88,292,665</u>	<u>46,715,305</u>
Management fee received	<u>79,337,583</u>	<u>32,597,970</u>

Globe Residency REIT -

(A scheme managed by the Company)

Scheme set up costs paid	<u>604,750</u>	<u>410,218</u>
Receipt of set up costs	<u>-</u>	<u>783,792</u>
Prior year sales tax adjustment	<u>210,000</u>	<u>-</u>
Management fee accrued	<u>32,200,000</u>	<u>31,780,001</u>
Management fee received	<u>44,275,000</u>	<u>19,753,329</u>

Sapphire Bay Islamic Development REIT -

(A scheme managed by the Company)

Scheme set up costs paid	<u>11,250</u>	<u>20,040,133</u>
Receipt of set up costs	<u>-</u>	<u>28,664,033</u>
Set up cost adjust against advance	<u>11,485,115</u>	<u>-</u>
Prior year sales tax adjustment	<u>224,815</u>	<u>-</u>
Management fee accrued	<u>93,529,269</u>	<u>54,585,766</u>
Management fee received	<u>97,379,234</u>	<u>49,982,214</u>

Naya Nazimabad Apartment REIT

(A scheme managed by the Company)

Scheme set up costs paid	<u>1,018,809</u>	<u>2,257,536</u>
Receipt of set up costs	<u>-</u>	<u>3,421,234</u>
Management fee adjusted	<u>8,715,000</u>	<u>-</u>
Management fee accrued	<u>33,781,249</u>	<u>-</u>
Management fee received	<u>25,066,250</u>	<u>25,114,172</u>

Rahat Residency REIT

(A scheme managed by the Company)

Scheme set up costs paid	<u>587,500</u>	<u>290,184</u>
Receipt of set up costs	<u>-</u>	<u>303,950</u>
Prior year sales tax adjustment	<u>23,415</u>	<u>-</u>
Management fee accrued	<u>11,500,000</u>	<u>11,797,945</u>
Management fee received	<u>4,887,500</u>	<u>19,484,754</u>

DHA Dolmen Lahore REIT

(A scheme managed by the Company)

Receipt of management fee	<u>-</u>	<u>39,550,000</u>
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Signature Residency REIT

(A scheme managed by the Company)

Scheme set up costs paid	<u>589,500</u>	<u>501,632</u>
Receipt of set up costs	<u>-</u>	<u>500,000</u>
Prior year sales tax adjustment	<u>19,495</u>	<u>-</u>
Management fee accrued	<u>6,805,007</u>	<u>9,363,750</u>
Management fee received	<u>8,211,236</u>	<u>-</u>

	2025	2024
	-----Rupees-----	
Gymkhana Apartment REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	1,218,810	3,806,682
Receipt of set up costs	-	2,885,000
Management fee received	3,478,357	13,998,997
Sky Garden REIT		
(A scheme managed by the Company)		
Scheme set up costs paid	-	735,000
Garden View Apartment REIT (formerly known as Park View Apartment REIT) - (A scheme managed by the Company)		
Scheme set up costs paid	4,044,854	1,001,513
Receipt of set up costs	-	250,000
Hill View Apartment REIT (formerly known as Meezan Center REIT) - (A scheme managed by the Company)		
Scheme set up costs paid	300,000	1,086,513
Management fee accrued	15,158,638	-
Management fee received	15,158,638	-
Taj Boulevard Towers		
(A scheme managed by the Company)		
Scheme set up costs paid	1,174,797	-
Receipt of set up costs	560,297	-
Javedan Corporation Limited		
(Associate Company due to common directorship)		
Expenses paid	-	1,866,700
Expenses adjusted	2,220,887	-
Receipt against expenses	-	7,575,000
Rotocast Engineering Company (Private) Limited		
(Associate Company due to common directorship)		
Expenses incurred	11,418,643	11,117,761
Payment of expenses	11,644,639	11,054,887
Rent payment	4,663,113	2,553,066
Rent expense	6,317,766	5,561,526
Common shared expenses	5,462,600	1,268,402
Payment of common shared expenses	6,201,622	5,178,124
Administration charges	713,245	4,167,833
Payment of administration charges	1,766,207	3,203,697
Office Insurance	190,607	-

2025

2024

-----Rupees-----

27.2 Balances as at year end:**Dolmen City REIT -****(A scheme managed by the Company)**

Receivable against management fee

47,065,735

38,845,872

Receivable as at year end

311,613

-

Payable as at year end

-

46,615

Silk Islamic Development REIT -**(A scheme managed by the Company)**

Receivable against management fee

25,805,343

25,505,343

Receivable against setup cost

99,214,193

1,111,524

Advance against SIDR - Musharaka

140,000,000

-

Silk World Islamic REIT -**(A scheme managed by the Company)**

Receivable against management fee

52,826,596

52,826,596

Receivable against setup cost

132,374,349

130,295,349

Arif Habib Development and Engineering Consultants**(Private) Limited - (A scheme managed by the Company)**

Receivable against project management cost

78,179,373

73,518,017

Pakistan Corporate CBD REIT -**(A scheme managed by the Company)**

Receivable against management fee

23,072,417

14,117,335

Receivable against setup cost

297,986

446,091

Globe Residency REIT -**(A scheme managed by the Company)**

Receivable against management fee

8,050,001

19,915,001

Receivable against setup cost

977,001

372,251

Sapphire Bay Islamic Development REIT -**(A scheme managed by the Company)**

Receivable against management fee

25,624,302

29,249,452

Receivable against setup cost

839,714

12,313,579

Advance against management fee

3,714,885

15,500,000

Naya Nazimabad Apartment REIT -**(A scheme managed by the Company)**

Advance against management fee

16,399,173

25,114,172

Receivable against setup cost

7,828,901

6,810,092

Rahat Residency REIT -**(A scheme managed by the Company)**

Receivable against management fee

9,064,528

2,475,445

Receivable against setup cost

589,084

1,584

	2025	2024
	-----Rupees-----	
DHA Dolmen Lahore REIT -		
(A scheme managed by the Company)		
Advance against management fee	<u>39,550,000</u>	<u>39,550,000</u>
Receivable against setup cost	<u>2,707,280</u>	<u>2,707,280</u>
Signature Residency REIT -		
(A scheme managed by the Company)		
Receivable against management fee	<u>946,151</u>	<u>2,371,875</u>
Receivable against setup cost	<u>591,132</u>	<u>1,632</u>
Advance against management fee	<u>-</u>	<u>514,676</u>
Gymkhana Apartment REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>2,956,433</u>	<u>1,737,623</u>
Payable as at year end	<u>17,477,354</u>	<u>13,998,997</u>
Sky Garden REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>1,901,305</u>	<u>1,901,305</u>
Garden View Apartment REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>5,197,283</u>	<u>400,916</u>
Hill View Apartment REIT -		
(A scheme managed by the Company)		
Receivable against setup cost	<u>2,202,454</u>	<u>1,902,454</u>
Taj Boulevard Towers		
(A scheme managed by the Company)		
Receivable against setup cost	<u>614,500</u>	<u>-</u>
Payable as at year end	<u>600,000</u>	<u>-</u>
Arif Habib Limited -		
(Associate Company due to common directorship)		
Payable as at year end	<u>10,556</u>	<u>10,556</u>
Arif Habib Corporation Limited -		
(Associate Company due to common directorship)		
Payable against legal expense	<u>-</u>	<u>-</u>
Javedan Corporation Limited -		
(Associate Company due to common directorship)		
Receivable as at year end	<u>2,220,887</u>	<u>2,220,887</u>
Payable as at year end	<u>7,575,000</u>	<u>7,575,000</u>
Rotocast Engineering Company (Private) Limited -		
(Associate Company due to common directorship)		
Payable against administration charges	<u>3,242,297</u>	<u>3,189,024</u>

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. 26.96 million (2024: Rs. 0.34 million) and Rs. 433.29 million (2024: Rs. 341.88 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:

	2025	2024	2025	2024
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial assets				
Bank deposits - pls account	8 to 15	8 to 20.5	16,543,770	337,951
Advance to Silk Islamic				
Development REIT - Musharaka	Kibor + 2%	-	140,000,000	-
Financial liabilities				
Long term loan	22.99 to 13.41	22.99 to 23.6	399,999,999	333,333,333
Diminishing musharaka	22.77 to 12.56	22.77 to 23.9	33,289,000	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 before tax	
	1% increase	1% decrease
	----- Rupees -----	
As at June 30, 2025		
Cash flow sensitivity-Variable rate financial instruments	<u>2,767,452</u>	<u>(2,767,452)</u>
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial instruments	<u>3,415,372</u>	<u>(3,415,372)</u>

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, Investment in Silk Islamic development REIT, 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	2025 -----Rupees-----	2024
Long term advances and deposits		145,808,200	8,254,906
Investment in Silk Islamic Development REIT		723,000,000	782,400,000
Advance to Silk Islamic		140,000,000	-
Receivable from schemes		527,434,942	495,654,713
Loans and advances		13,043,111	8,869,735
Other receivables		8,539,512	3,370,397
Bank balances	(a)	<u>16,723,722</u>	<u>339,505</u>
		<u>1,574,549,487</u>	<u>1,298,889,256</u>

Long term loans and advances mainly includes long term advance to Silk Islamic Development REIT management assesses the creditworthiness of the REIT, including its financial health, asset quality and cashflow stability and security against their salary and retirement benefits.

The Company's long term Investment includes units in Silk Islamic development REIT amounting to Rs. 723 million (June 30, 2024 : 782.4 million). Management assesses the creditworthiness of the REIT, including its financial health, asset quality and cashflow stability.

Loans and advances mainly includes loans and advances to employees which are secured against their salary and retirement benefits.

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 (June 30, 2024: 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.

Loans and advances mainly includes loans and advances to employees which are secured against their salary and retirement benefits.

Other receivable include receivable against consultancy fee, receivable from scheme other than related party, mark up on SIDR etc. amounting to Rs. 8.69 million (June 30, 2024: 3.37 million). Other receivable of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECI would be very minimal and hence, the same has not been accounted for in these financial statements.

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	Rating (Short term / Long term)	2025 -----Rupees-----	2024
National Bank of Pakistan	VIS	AAA / A1+	67,053	62,207
Dubai Islamic Bank	VIS	AA / A1+	27,808	24,721
Summit Bank Limited	VIS	-	128	128
Bank AL-Habib	PACRA	AAA / A1+	16,424,771	229,727
Askari Bank Limited	PACRA	AA+ / A1+	23,656	3,397
Bank Islami Pakistan Limited	PACRA	AA- / A1	10,338	9,383
The Bank of Punjab	PACRA	AA+ / A1+	13,036	9,942
United Bank Limited	VIS	AAA / A1+	156,932	-
			16,723,722	339,505

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. 16.76 million (2024: Rs. 0.35 million).

The following are the contractual maturities of financial liabilities:

	June 30, 2025					
	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	399,999,999	399,999,999	66,666,667	66,666,667	266,666,665	-
Diminishing musharaka	33,289,000	33,289,000	-	3,794,460	29,494,540	-
Loan from a director	15,000,000	15,000,000	15,000,000	-	-	-
Advances in respect of scheme set-up costs	319,929,610	319,929,610	-	319,929,610	-	-
Accrued expenses and other payables	33,766,641	33,766,641	33,766,641	-	-	-
Accrued mark up	5,936,175	5,936,175	13,919,180	-	-	-
	807,921,425	807,921,425	129,352,488	390,390,737	296,161,205	-
	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	-

28.2 Financial instruments by categories

June 30, 2025			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost
As at June 30, 2025	Rupees		
Financial assets			
Long term investment	723,000,000	-	-
Long term advances and deposits	-	-	145,808,200
Receivable from schemes	-	-	527,434,942
Loans and advances	-	-	13,043,111
Other receivables	-	-	8,539,512
Cash and bank balances	-	-	16,761,348
	723,000,000	-	711,587,113
			1,434,587,113

As at June 30, 2025	Financial liabilities at amortized cost
Financial liabilities	-- Rupees --
Long term loan	399,999,999
Diminishing musharaka	33,289,000
Loan from a director	15,000,000
Accrued expenses and other payables	33,766,641
Accrued mark up on long term loan	5,936,175
	487,991,815

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

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, 2024	Financing cash inflows	Financing cash outflows	Non cash changes / financial charges	June 30, 2025
	-----Rupees-----				
Diminishing musharaka	8,541,818	33,289,000	(10,415,628)	1,873,810	33,289,000
Loan from director	12,000,000	3,000,000	-	-	15,000,000
Long term loan	333,333,333	200,000,000	(133,333,334)	-	399,999,999
	341,875,151	33,289,000	(143,748,962)	1,873,810	433,288,999

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:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
June 30, 2025				
<i>Financial assets measured at fair value</i>				
Long term investment	-	-	723,000,000	723,000,000
June 30, 2024				
<i>Financial assets measured at fair value</i>				
Long term investment	-	-	782,400,000	782,400,000

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 27.24% (2024: 22.70%). 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% (2024: 25%) on the present value of all future prospects.

30.1.2 Valuation inputs and relationships to fair value

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

<u>Unobservable inputs</u>	<u>Range of inputs</u>	<u>Sensitivity of the inputs to fair value</u>
Risk adjusted discount rate	27.24% (2024: 22.70%)	1% increase in the risk adjusted discount rate would result in decrease in fair value by Rs. 41.40 million (2024: 53.40 million); 1% decrease in the risk adjusted discount rate would result in increase in fair value by Rs. 45.00 million (2024: 57.60 million) as at June 30, 2024.
Discount for lack of marketability (DLOM)	20% - 30% 25% (2024: 25%)	3% increase in DLOM factor would result in decrease in fair value by Rs. 28.80 million (2024: 31.80 million); 3% decrease in DLOM factor would result in increase in fair value by Rs. 29.40 million (2024: 31.20 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:

	2025	2024
	-----Rupees-----	
Borrowings:		
Long term loan	399,999,999	333,333,333
Loan from director	15,000,000	12,000,000
Diminishing musharaka	33,289,000	8,541,818.00
Shareholders' equity:		
Issued, subscribed and paid-up capital	200,000,000	200,000,000
Unappropriated profit / (loss) (excluding unrealized loss or gain on investment)	380,246,307	412,174,778
	580,246,307	612,174,778
Total capital managed by the Company	1,013,535,306	954,049,929

32. GENERAL

32.1 Number of employees

Total number of employees as at year end
Average number of employees during the year

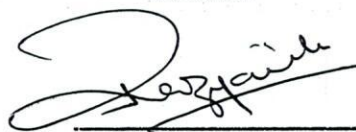
	2025	2024
	----- Number -----	
	34	31
	34	29

32.2 Date of authorisation of the financial statements for issue

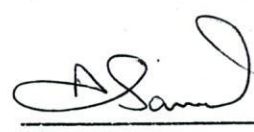
These financial statements were authorised for issue on September 02, 2025 by the Board of Directors of the Company.

32.3 Level of rounding

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


Chief Financial Officer


Chief Executive


Director