



ARIF HABIB DOLMEN

REIT MANAGEMENT LIMITED

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

021-111-245-111

www.arifhabibdolmenreit.com



GLOBE RESIDENCY REIT

QUARTERLY REPORT

MARCH 31, 2024

MANAGED BY



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED





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Globe Residency REIT Scheme's Information

Management Company

Arif Habib Dolmen REIT Management Limited

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Other Executives	Mr. Razi Haider Mr. Murtaza Shabbir	CFO & Company Secretary Head of Internal Audit & Compliance
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block “B” S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.	
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block “B” S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.	
Bankers	Dubai Islamic Bank Meezan Bank Limited Askari Bank Limited Bank Alfalah Limited	
External Auditor	A.F. Fergusons and Co. Chartered Accountants, State Life Building No. 1-C I.I Chundrigar Road, Karachi,	
Internal Auditor	Junaidy Shoaib Asad & Co. Chartered Accountants, 1/6-P, P.E.C.H.S. Mohtarma Laeeq Begum Road, Off Shahrah-e-Faisal, Karachi.	
Legal Advisor	Ahmed & Qazi, 4th Floor, Clifton Centre, Clifton, Karachi.	
Development Advisor	Arch Vision Plus, 103, Ruffi Trade Centre, SB-29 Block 13-C, Main University Road, Gulshan-e-Iqbal, Karachi.	
	Arif Habib Development and Engineering Consultatnts (Private) Limited Arif Habib Centre, 23 M.T. Khan Road, Karachi.	
Property Valuer	MYK Associates (Pvt.) Limited. MYK House, 52-A, Block ‘B’, Street #5, Muslim Cooperative Housing Society (S.M.C.H.S.), Karachi.	
REIT Accountant	Junaidy Shoaib Asad & Co. Chartered Accountants, 1/6-P, P.E.C.H.S. Mohtarma Laeeq Begum Road, Off Shahrah-e-Faisal, Karachi.	
Rating Agency	VIS Credit Rating Company Limited, VIS House, 128/C, 25th Lane Off Khayaban-e-Ittehad, Phase VII, DHA, Karachi.	
Current Ratings	RFR2 (dr)	
Registered Office of Management Company	Arif Habib Centre, 23 M.T. Khan Road, Karachi.	





Directors' Report

Dear Unit holders of Globe Residency REIT

We are pleased to present the Directors' Review report of Globe Residency REIT (GRR) - the Scheme, for the nine months period ended on March 31, 2024, on behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited.

Overview

Globe Residency REIT, a pioneering developmental REIT scheme, continues its mission to develop and market Globe Residency Apartments within the expansive Naya Nazimabad project in Karachi. This residential complex comprises 1,344 apartment units across 9 towers, set within a 40,500 square yards site.

A significant part in the development and management of Globe Residency's real estate assets is the strategic partnership with Meezan Bank Limited. This collaboration, established under the Musharaka arrangement, is focused on three of the nine towers within the portfolio. Operating on a 50/50 profit and loss sharing model, this partnership continues to be instrumental in fortifying our construction progress and sales initiatives.

Financial and Operational Performance

The following table provides a summary of the financial performance of GRR for the nine months period ended March 31, 2024:

Description	March 31, 2024	March 31, 2023
	Rupees in thousands	
Revenue from customers	2,227,261	2,556,309
Cost of Sales	(1,898,187)	(1,991,163)
Administrative and Operating Expenses	(68,897)	(138,930)
Net Operating Income	260,177	426,216
Profit After Tax	237,106	431,487
Earnings per unit (Rupees)	1.69	3.08

Financial performance remained resilient during the nine months period ended on March 31, 2024. We generated revenue of PKR 2,227.3 million from customers, reflecting a consistent trend in revenue generation and recoveries. Our robust financial management was evident as the cost of sales was prudently controlled at PKR 1,898.2 million, showcasing our commitment to efficient cost management. Administrative and operating expenses remained well managed at PKR 68.9 million, marking a substantial reduction from the same period in the previous year.

Simultaneously, our operational progress remained impressive. We sold 38 apartment units during the nine months period ended March 31, 2024, contributing to a net total of 808 units. The total consideration for these apartments reached PKR 695.5 million within this period, contributing to a cumulative consideration of PKR 12.4 billion from all apartments sold up to March 31, 2024. Our recovery rate for installments remained strong at 92%, a testament to the confidence of our buyers.

Our net operating income stood at PKR 260.2 million, reaffirming our dedication to sound financial management. We are pleased to report a profit after tax of PKR 237.1 million, translating to earnings per unit of PKR 1.69. This not only signifies sustained profitability but also the value we consistently deliver to our unit holders.

Outlook

In the midst of ongoing economic and political situation, the real estate sector, being heavily reliant on capital, continues to adapt to changing market dynamics. As we cautiously navigate the evolving economic landscape, there are encouraging signs of a potential recovery on the horizon. Making prudent decisions on extending project specs under government incentives is essential for successful outcome and regional economic revitalization. In these times of careful optimism, our strong organization, experienced management, and high-calibre clientele sets us apart in a competitive market.

We remain committed to our goals of cost efficiency, quality, and timely execution, fostering our confidence in the long-term success of our Developmental Real Estate Investment Trusts (REIT) in these evolving economic conditions.

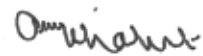
Acknowledgement

We extend our gratitude to our valued investors, the Securities and Exchange Commission of Pakistan (SECP), the management of Pakistan Stock Exchange (PSX), Central Depository Company of Pakistan Limited (CDC) - the Trustee, Arif Habib Development and Engineering Consultants (AHDECL) - the Project Manager, and our business partners for their continued cooperation and support. We also appreciate the effort put in by the management team and are proud of their commitment to ensuring the success of our business.

For and on behalf of the Board



Muhammad Ejaz
Chief Executive
Karachi
April 30, 2024



Muhammad Arif Habib
Chairman

CONDENSED INTERIM FINANCIAL STATEMENTS





**GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

	Note	March 31, 2024 (un-audited)	June 30, 2023 (audited)
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property and equipment	4	199	372
Long term deposits		6,276	3,057
Contract cost assets	5	10,922	20,947
		17,397	24,376
Current assets			
Current portion of contract cost assets	5	23,548	17,455
Inventory property	6	2,164,187	2,055,904
Contract assets	7	1,772,778	1,535,223
Other receivables	8	5,260	5,185
Advance for development expenditure		367,984	319,190
Bank balances	9	19,708	7,307
Receivable from joint operator	25	-	148,540
		4,353,465	4,088,804
Total assets		<u>4,370,862</u>	<u>4,113,180</u>
UNIT HOLDERS' FUND AND LIABILITIES			
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up units 140,000,000 units of Rs. 10 each		1,400,000	1,400,000
Revenue reserves		272,596	455,490
Total unit holders' fund		1,672,596	1,855,490
Non-current liabilities			
Long term loan	10.1	1,150,000	933,333
		1,150,000	933,333
Current liabilities			
Current portion of long term loan	10.1	166,667	466,667
Outstanding land consideration		250,000	250,000
Contract liabilities	11	130,565	178,044
Payable to the REIT Management Company	12	16,029	9,009
Payable to the Central Depository Company of Pakistan Limited - Trustee	13	12,652	7,906
Payable to the Securities and Exchange Commission of Pakistan	14	4,136	5,600
Trade and other payables	15	325,038	126,789
Accrued expenses and other liabilities	16	382,567	196,855
Payable to joint operator	25	86,379	-
Dividend Payable		12,389	-
Accrued markup on long term loan		159,753	81,396
Commission payable		2,091	2,091
		1,548,266	1,324,357
Total liabilities		<u>2,698,266</u>	<u>2,257,690</u>
Total unit holders' fund and liabilities		<u>4,370,862</u>	<u>4,113,180</u>
----- (Rupees) -----			
Net asset value per unit		<u>11.95</u>	<u>13.25</u>
Contingencies and commitments	17		

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

**GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Three months period ended March 31, 2024	Three months period ended March 31, 2023
	Note	----- (Rupees in '000) -----			
Revenue from contracts with customers		2,227,261	2,556,309	459,442	829,001
Cost of sales	18	(1,898,187)	(1,991,163)	(386,827)	(644,900)
Gross profit		<u>329,074</u>	<u>565,146</u>	<u>72,615</u>	<u>184,101</u>
Administrative and operating expenses	19	(68,897)	(138,930)	(15,285)	(52,189)
Net operating income		<u>260,177</u>	<u>426,216</u>	<u>57,330</u>	<u>131,912</u>
Other income		25,171	78,999	5,221	65,046
Gain on disposal under Musharaka arrangement	25	-	52,693	-	-
		<u>285,348</u>	<u>557,908</u>	<u>62,551</u>	<u>196,958</u>
Remuneration of the REIT Management Company	12.1	(21,000)	(21,019)	(7,000)	(6,904)
Sindh sales tax on remuneration of the REIT Management Company	12.2	(2,730)	(2,732)	(910)	(897)
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	13.1	(4,200)	(4,204)	(1,400)	(1,381)
Sindh sales tax on remuneration of the Trustee	13.2	(546)	(546)	(182)	(179)
Annual fee of the Securities and Exchange Commission of Pakistan	14.1	(4,136)	(4,204)	(1,355)	(1,381)
Marketing expense		(2,745)	(10,230)	(27)	(10,230)
		<u>(35,357)</u>	<u>(42,935)</u>	<u>(10,874)</u>	<u>(20,972)</u>
Profit before taxation		<u>249,991</u>	<u>514,973</u>	<u>51,677</u>	<u>175,986</u>
Taxation	20	(12,885)	(83,486)	(489)	(33,813)
Profit for the period		<u>237,106</u>	<u>431,487</u>	<u>51,188</u>	<u>142,173</u>
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
arnings per unit - basic and diluted	21	<u>1.69</u>	<u>3.08</u>	<u>0.37</u>	<u>1.02</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

**GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Three months period ended March 31, 2024	Three months period ended March 31, 2023
	----- (Rupees in '000) -----			
Net profit for the period after taxation	237,106	431,487	51,188	142,173
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>237,106</u>	<u>431,487</u>	<u>51,188</u>	<u>142,173</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

**GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF CHANGES IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

	Issued, subscribed and paid up units	Revenue reserves Unappropriated profit	Total unit holders' fund
	(Rupees in '000)		
Balance as at July 1, 2022	1,400,000	184,407	1,584,407
Total comprehensive income for the period	-	431,487	431,487
Balance as at March 31, 2023	<u>1,400,000</u>	<u>615,894</u>	<u>2,015,894</u>
Balance as at July 1, 2023	1,400,000	455,490	1,855,490
Total comprehensive income for the period	-	237,106	237,106
Final cash dividend for the year ended June 30, 2023 at Rs. 3.00 per unit declared on September 15, 2023	-	(420,000)	(420,000)
Balance as at March 31, 2024	<u>1,400,000</u>	<u>272,596</u>	<u>1,672,596</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

**GLOBE RESIDENCY REIT
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

Note	March 31, 2024 (un-audited)	March 31, 2023 (un-audited)
	------(Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	249,991	514,973
Adjustments for non-cash items:		
Depreciation expense	19 173	173
Finance cost	19 -	32,162
Mark-up on bank deposits	(6,758)	-
Gain on disposal under Musharaka arrangement	-	(52,693)
	<u>243,406</u>	<u>494,615</u>
(Increase) / decrease in assets		
Inventory property	(108,283)	274,823
Contract cost assets	3,932	(9,303)
Long term deposit	(3,219)	(2,957)
Contract assets	(237,555)	(894,798)
Other receivables	-	317,062
Advance for development expenditure	(48,794)	(85,525)
	<u>(393,919)</u>	<u>(400,698)</u>
Increase / (decrease) in liabilities		
Contract liabilities	(47,479)	92,074
Commission payable	-	3,121
Trade and other payables	198,249	(6,020)
Payable to the REIT Management Company	7,020	(3,267)
Payable to the Central Depository Company of Pakistan Limited - Trustee	4,746	4,750
Payable to the Securities and Exchange Commission of Pakistan	(1,464)	1,304
Accrued expenses and other liabilities	209,642	115,417
Outstanding land consideration	-	(450,000)
	<u>370,714</u>	<u>(242,621)</u>
Finance cost paid	78,357	73,002
Tax paid	(36,815)	(112,806)
Mark-up received on bank deposits	6,683	-
Carrying amount of inventory property sold to joint operator	-	(733,173)
Development expenditures received from / (paid on behalf of) joint operator	(12,081)	(116,885)
	<u>36,144</u>	<u>(889,862)</u>
Net cash generated from / (used in) operating activities	<u>256,345</u>	<u>(1,038,566)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal paid on long term loan	(83,333)	-
Proceeds from Musharaka Capital	25 247,000	888,725
Dividend Paid During the year	(407,611)	-
Net cash (used in) / generated from financing activities	<u>(243,944)</u>	<u>888,725</u>
Net increase in cash and cash equivalents during the period	<u>12,401</u>	<u>(149,841)</u>
Cash and cash equivalents at the beginning of the period	7,307	160,122
Cash and cash equivalents at the end of the period	<u>26 19,708</u>	<u>10,281</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

GLOBE RESIDENCY REIT
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Globe Residency REIT (the REIT) is established under a Trust Deed executed on December 24, 2021, between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee; and is governed under the Real Estate Investment Trust Regulations, 2022 (REIT Regulation, 2022), promulgated and amended from time to time by the Securities and Exchange Commission of Pakistan (SECP).
- 1.2** The Trust Deed of the REIT was executed on December 24, 2021 whereas approval of the registration of the REIT was granted by the SECP on December 14, 2021. The REIT is established with the objective of upliftment and construction of the acquired Real Estate including construction of residential units under the project named "Globe Residency Apartments" (the Project) for generating income for Unit Holders. The Project has been acquired from Javedan Corporation Limited and as per the approval received by the RMC from the Securities and Exchange Commission of Pakistan (the SECP) vide letter number SECP/SCD/PRDD/REIT/GRR/2021/51, the Project has been transferred on as-is-where-is basis to the REIT structure. The effective date of the transfer of the Project from the structure of Javedan Corporation Limited to the REIT structure was April 01, 2022. The REIT has a limited life (5 years), and is a close-end, Developmental REIT. The registered office of the REIT Management Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.
- 1.3** The Globe Residency REIT / the Project is registered with the Federal Board of Revenue (FBR) as a builder / developer by virtue of which the taxability of the REIT / the Project will be determined under Section 100D and Eleventh Schedule of Income Tax Ordinance, 2001. The tax liability determined shall be final tax.

The FBR, through the Finance Act 2020, has introduced Section 100D and Eleventh Schedule which later became part of Income Tax Ordinance, 2001. Section 100D introduced a fixed tax REIT for builders and developers from tax year 2020 (and onwards) whereby tax payable by a builder or a developer earning profits and gains derived from the sale of buildings or sale of plots, who opts for assessment under this section, shall be computed and paid in accordance with the rules in the Eleventh Schedule on a project-by-project basis.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance, 1984; and
- the Real Estate Investment Trust Regulations 2022 (REIT Regulations, 2022) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the REIT Regulations, 2022 and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, and the REIT Regulations, 2022 have been followed.

- 2.1.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the REIT for the year ended June 30, 2023.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the REIT.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the REIT for the year ended June 30, 2023.

3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for interim financial reporting that requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the REIT's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the REIT's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual published audited financial statements of the REIT for the year ended June 30, 2023.

3.3 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the REIT's accounting period beginning on July 01, 2023. However, these do not have any significant impact on the REIT's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new and amended standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the REIT's accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or will not have any significant effect on the REIT's operations and are, therefore, not detailed in these condensed interim financial statements.

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	------(Rupees in '000)-----	
4 PROPERTY AND EQUIPMENT		
Opening net book value	372	603
Additions during the period / year	-	-
	372	603
Less: Net book value of disposals during the period / year	-	-
Less: Depreciation expense for the period / year	(173)	(231)
	(173)	(231)
	<u>199</u>	<u>372</u>
5 CONTRACT COST ASSETS		
Current portion	23,548	17,455
Non-current portion	10,922	20,947
Total contract cost assets	<u>34,470</u>	<u>38,402</u>
5.1 Movement in contract cost assets		
Carrying amount at beginning of the period / year	38,402	28,316
Additions	6,568	31,782
Amortisation for the period / year (recognised in cost of sales)	(10,500)	(21,696)
Total contract cost assets	<u>34,470</u>	<u>38,402</u>

- 5.2 The REIT has capitalised the sales commissions paid or payable to its brokers for contracts obtained to sell apartments as they represent incremental costs of obtaining a contract. The capitalised costs are amortised on a systematic basis that is consistent with the revenue recognition policy and amortisation for the period / year is recognised in cost of sales.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
6	INVENTORY PROPERTY		
	Carrying amount at beginning of the period / year	2,055,904	2,301,375
	Net additions during the period / year		
	Land	-	-
	Land transfer duties and taxes	-	-
	Development expenditures	680,606	1,244,858
	Borrowing cost capitalised	249,954	250,307
	Construction materials	1,072,743	1,617,630
	Share of Joint Operator	(174,029)	(296,836)
	Transferred from Joint Operator	166,696	-
		1,995,970	2,815,959
	Sold to joint operator under Musharaka arrangement	-	(660,803)
	Transfers to Cost of sales	(1,887,687)	(2,400,627)
		<u>2,164,187</u>	<u>2,055,904</u>

- 6.1 This relates to borrowing cost incurred on term finance facility as referred in note 10.1. The borrowing costs have been capitalised for inventory properties as these are qualifying assets.

- 6.2 The revenue is measured using an input method. By using costs incurred method as a measure of progress for its contracts, the REIT's cumulative performance has been measured at 61.87% as at March 31, 2024 (June 30, 2023: 45.84%). The cumulative performance percentage of the total costs capitalised with respect to inventory properties that have been contracted to be sold, have been recognised in cost of sales cumulatively.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
6.3	Break-up of inventory property		
	Musharaka Asset	964,972	957,639
	Other inventory property	1,199,215	1,098,265
		<u>2,164,187</u>	<u>2,055,904</u>

7 CONTRACT ASSETS

At beginning of the period / year	1,535,223	916,202
Receipts during the period / year	(1,943,371)	(2,091,201)
Recorded as revenue	2,180,926	2,710,222
	<u>1,772,778</u>	<u>1,535,223</u>

- 7.1 Contract assets are initially recognised for revenue earned from property under development which has been sold but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
8	OTHER RECEIVABLES		
	Advance tax	4,664	4,664
	Mark-up receivable on bank balances	596	521
		<u>5,260</u>	<u>5,185</u>

8.1 This amount has been paid against tax demand under the provisions of Section 4C of the Income Tax Ordinance, 2001.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
9	BANK BALANCES	Note	
	Saving accounts	9.1	19,708 7,307

9.1 These saving accounts carry mark-up at rates ranging from 11.00% to 20.50% (June 30, 2023: 10.00% to 19.50%) per annum. Mark-up on bank deposits recognised during the period amounted to Rs. 25.17 million (March 31, 2023: Rs. 20.63 million).

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
10	LONG TERM LOAN	Note	
	Term finance facility	10.1	1,316,667 1,400,000

10.1 Break-up of term finance facility

Term finance facility	1,316,667	1,400,000
Less: current portion of term finance facility	(166,667)	(466,667)
Long-term portion of term finance facility	<u>1,150,000</u>	<u>933,333</u>

10.1.1 The long term financing facility has been availed from Bank Alfalah Limited (the Bank) to facilitate in meeting financing requirements for purchase of land and construction thereon of residential apartments under REIT project. The Bank has approved a facility of Rs. 1,400 million at a mark-up rate of 6 months KIBOR + 1.25% spread. The loan was repayable in six equal half-yearly instalments starting from October 1, 2023. The facility requires to create, register, where applicable, and maintain, throughout the tenor, a mortgage on the Real Estate in favour of the Bank for a maximum secured amount of Rs. 1,866.67 million. The tenor of financing is 4 years from the date of disbursement (including 1 year grace period). Principal and mark-up to be paid on semi-annual basis.

On September 26, 2023 amendment was made in respect of the facility obtained from the Bank. As per the amendment, the loan is repayable in eight half-yearly instalments starting from October 1, 2023. The revised tenor of financing is 5 years from the date of disbursement (including 1 year grace period) and the principal repayment is to be made on step-up basis. All other terms and conditions shall remain unchanged.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
11	CONTRACT LIABILITIES		
	At beginning of the period / year	178,044	66,015
	Receipts	464,779	251,621
	Revenue recognised	(512,258)	(139,592)
		<u>130,565</u>	<u>178,044</u>

11.1 Contract liabilities include instalments received from customers subject to cancellation charges in the event where a customer plans to cancel their contract. This gives the REIT protection if the customer withdraws from the conveyancing transaction. If this were to happen, 25% (June 30, 2023: 25%) of the customers' deposits would be forfeited, waivable as per the discretion of the REIT. The customer's ability to transfer the apartment to a third party gives reasonable evidence to conclude that where the customer would like to withdraw from their conveyance deed, the customer would prefer transferring their apartment booking to a third party rather than cancel their booking and get their deposits forfeited.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		------(Rupees in '000)-----	
12	PAYABLE TO THE REIT MANAGEMENT COMPANY	Note	
	Remuneration of the REIT Management Company	12.1	14,000
	Sindh sales tax on remuneration of the REIT Management Company	12.2	1,820
			<u>908</u>
	Others		<u>209</u>
			<u>16,029</u>
			<u>7,371</u>
			<u>8,279</u>
			<u>730</u>
			<u>9,009</u>
12.1	The RMC is entitled to a remuneration for services rendered to the REIT, as stated in the Offering Document and Information Memorandum, under the provisions of REIT Regulations, 2022. The management company charges fee at the rate of 1.00% (June 30, 2023: 1.00%) of the REIT Fund.		
12.2	The Sindh Government has levied Sindh Sales Tax on the remuneration of REIT Management Company through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2014. The current applicable tax rate is 13% (June 30, 2023: 13%) being effective from July 01, 2016. During the period, an amount of Rs. 2.730 million (March 31, 2023: Rs. 2.732 million) has been charged on account of sales tax on remuneration of the REIT Management Company.		
13	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	
	Trustee fee payable	13.1	11,196
	Sindh sales tax on remuneration of the Trustee	13.2	1,456
			<u>910</u>
			<u>12,652</u>
			<u>6,996</u>
13.1	The Trustee is entitled to an annual remuneration for services rendered to the REIT under the provisions of the Trust Deed. Accordingly, the REIT has charged Trustee remuneration at a rate of 0.20% (June 30, 2023: 0.20%) per annum of the initial REIT Fund size during the current period.		
13.2	The Sindh Government has levied Sindh sales tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from July 01, 2015. The current applicable rate is 13% (June 30, 2023: 13%) being effective from July 01, 2016. During the period, an amount of Rs. 0.546 million (March 31, 2023: Rs. 0.546 million) has been charged on account of sales tax on remuneration of the Trustee.		
14	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Annual fee payable	14.1	4,136
			<u>5,600</u>
14.1	Under the provisions of the REIT Regulations, 2022, the REIT is required to pay monitoring fee to SECP at an amount equal to 0.20% (June 30, 2023: 0.20%) of the REIT's average fund size per annum.		
15	TRADE AND OTHER PAYABLES		
	Payable to supplier		318,717
	Payable to Javedan Corporation Limited		1,111
	Payable to Signature Residency REIT		1,311
	Payable to Rahat Residency REIT		3,899
			<u>1,918</u>
			<u>325,038</u>
			<u>126,789</u>

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	------(Rupees in '000)-----	
16 ACCRUED EXPENSES AND OTHER LIABILITIES		
Payable to project manager	287,513	123,519
Retention money	26,175	17,677
Auditors' remuneration payable	3,293	4,746
Payable to REIT accountant	250	250
Unit registrar's fee payable	687	189
Sales tax and withholding income tax	11,416	8,262
Tax payable	957	23,644
Other liabilities	52,276	18,568
	<u>382,567</u>	<u>196,855</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 On March 30, 2023, the Additional Commissioner Inland Revenue [ACIR] passed an order under Section 122(5A) of the Income Tax Ordinance, 2001 (ITO), amending the assessment for tax year 2022 and raised demand of Rs. 54.057 million.

ACIR demanded tax aggregating to Rs. 37.671 million under Section 100D of the ITO and contended that the said tax should have been paid for the tax year starting from July 2021, instead from the Project start date / date of registration with the Federal Board of Revenue (FBR). The above demand was raised under clauses (b) and (c) of sub-rule (2) of rule 2 of the Eleventh Schedule to the ITO despite the fact that these clauses already stand deleted through the Finance Act, 2021, causing this impugned order to be void ab-initio.

Furthermore, the above order also included a demand aggregating to Rs. 16.486 million under Section 4C of the ITO i.e. by levying Super Tax at the slab rate of 4%. The matter of application of Super Tax for the tax year 2022 has already been declared as void / illegal by the Honourable Sindh High Court through its judgment dated December 22, 2022, and the same matter is presently subjudice before the Honourable Supreme Court of Pakistan (SCP).

The management, based on the advice of its tax advisor, made payment under protest of Rs. 4.664 million against the aforesaid demand of Super Tax at the applicable slab rate of 2%, despite concerns over legality / jurisdiction to pay Super Tax for the tax year 2022. This amount has been recorded as receivable as disclosed in note 8. The REIT reserves the right to claim refund of Super Tax in case the matter is decided by the SCP in favour of the taxpayers.

The management filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the impugned order of the ACIR, which was decided by the CIR(A) against the REIT through Appellate Order dated July 24, 2023, making no changes on all the issues raised therein.

Considering the facts of the case, and upon consultation with its tax advisor, an appeal before the Appellate Tribunal will shortly be filed. The management is confident the appeal is likely to be decided in favour of the REIT. Accordingly, no provision has been recorded in these financial statements for the above matter.

17.2 Commitments

There were no commitments outstanding as at March 31, 2024 and June 30, 2023.

		Nine months period ended March 31, 2024 (Un-audited)	Nine months period ended March 31, 2023 (Un-audited)
		------(Rupees in '000)-----	
18 COST OF SALES	Note		
Transfers from inventory property	6	1,887,687	1,972,133
Amortisation of contract cost assets	5.1	10,500	19,030
		<u>1,898,187</u>	<u>1,991,163</u>

19	ADMINISTRATIVE AND OPERATING EXPENSES	Note	Nine months	Nine months
			period ended	period ended
			March 31,	March 31,
			2024	2023
			(Un-audited)	(Un-audited)
			------(Rupees in '000)-----	
	Project management fee	19.1	50,835	78,179
	REIT Accountant Fees		2,250	2,858
	Fees and subscriptions		573	13,386
	Legal and professional charges		4,517	4,247
	Depreciation expense		173	173
	Auditors' remuneration		5,027	5,490
	Finance cost		-	32,162
	Bank charges		42	14
	Printing and stationery		1,861	-
	Back office accounting fee		2,543	444
	Other expenses		1,076	1,977
			<u>68,897</u>	<u>138,930</u>

19.1 These represent project management fee accrued for the nine months period ended March 31, 2024. In accordance with the regulation 15 (viii) of the REIT Regulations, 2022, the REIT Management Company is obliged to appoint a development advisor with the consent of the Trustee. For this purpose, Arif Habib Development & Engineering Consultants (Private) Limited (the Project Manager) has been engaged to manage and supervise the Project, effectively from March 31, 2022. The responsibilities of the Project Manager include material procurement, sales and marketing, collections from customers, contracts preparation, and coordination and supervision of the Project. The Project Manager is entitled to receive fees equivalent to 15% (March 31, 2023: 15%) of the profit before tax generated by the REIT. The fee shall be payable, on a monthly basis, to the Project Manager at the higher of 1.5% of monthly sales collection and Rs. 5 million.

20	TAXATION	Note	Nine months	Nine months
			period ended	period ended
			March 31,	March 31,
			2024	2023
			(Un-audited)	(Un-audited)
			------(Rupees in '000)-----	
	Tax charge for the current period	20.1	37,772	101,441
	Default surcharge		1,130	-
	Prior year	20.3	(21,269)	-
	Liability transferred to joint operator	25	(4,748)	(17,955)
	Current tax expense		<u>12,885</u>	<u>83,486</u>

20.1 As discussed in note 1.3, the Project is registered in the aforesaid tax scheme (i.e. under Section 100D and Eleventh Schedule to the Income Tax Ordinance, 2001). As per the scheme, total tax liability for the REIT arrived at Rs 238.69 million which is to be paid on a quarterly basis. Out of Rs 238.69 million, Rs. 35.81 million (March 31, 2023: Rs 67.63 million) relates to the current period and accordingly has been recognised in these condensed interim financial statements.

20.2 One of the primary conditions specified in Section 100D is the completion of the "grey structure" of the Project, as defined under the Eleventh Schedule to the Income Tax Ordinance, 2001, by September 30, 2023.

The grey structure of the Project was not completed by September 30, 2023 for reasons beyond the control of the management. However, since the REIT has complied with all the conditions laid down in the law, the management is of the view that after making payment of tax liability on due dates as laid down in the aforementioned scheme, and following the guidelines issued by FBR in the form of Frequently Asked Questions (FAQs), it would remain subject to tax under Section 100D. Moreover, default surcharge has also been paid where only a single payment for last quarter (September 30, 2023) was delayed. The tax consultant of the REIT has also advised that following the guidelines issued by FBR, and payment of taxes on due dates, the argument for taxability under the aforementioned scheme exists. Accordingly, management has recorded tax liability of the REIT under Section 100D during the current period.

- 20.3 The REIT has charged and paid tax at the rate of 29% on scrap sales made in prior year. As per eleventh schedule sub-section 6, profit and gains in excess of ten times of the tax paid under section 100D shall be subject to tax. However, the profits and gains in the prior year were not in excess of ten times of tax paid under section 100D and the amount was paid by the REIT in excess. Therefore, a prior period adjustment has been recorded during the current period.

	Nine months period ended March 31, 2024 (Un-audited)	Nine months period ended March 31, 2023 (Un-audited)
	------(Rupees in '000)-----	
21 EARNINGS PER UNIT - BASIC AND DILUTED		
Total earnings for the period	<u>237,106</u>	<u>431,487</u>
	------(Number in Units)-----	
Weighted average number of ordinary units during the period	<u>140,000,000</u>	<u>140,000,000</u>
	------(Rupees)-----	
Earnings per unit - basic and diluted	<u>1.69</u>	<u>3.08</u>

- 21.1 Diluted earnings per unit has not been presented as the REIT does not have any convertible instruments in issue as at March 31, 2024 which would have any effect on the earnings per unit if the option to convert is exercised.

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons and related parties include Arif Habib Dolmen REIT Management Limited being the RMC, Central Depository Company of Pakistan Limited being the Trustee, Arif Habib Development & Engineering Consultants (Private) Limited being the Project Manager and an associate due to common directorship, Javedan Corporation Limited being an associate due to common directorship, other REITs managed by the RMC and other entities under common management and / or directorship and the directors and their close family members and officers of the RMC and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10% units / net assets of the REIT.

Transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with commercial rates. There are no potential conflicts of interest of the related party with respect to the REIT.

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

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

22.1 Transactions during the period:	March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
	----- (Rupees in '000) -----	
Arif Habib Dolmen REIT Management Limited - (Management Company)		
- Remuneration of the REIT Management Company	21,000	21,019
- Remuneration paid	14,371	14,038
- Sindh sales tax on remuneration of the REIT Management Company	2,730	2,732
- Development & other expenditure	262	1,104
Central Depository Company of Pakistan Limited - (Trustee)		
- Remuneration of the Central Depository Company of Pakistan Limited	4,200	4,204
- Sindh sales tax on remuneration of the Trustee	546	546

	March 31, 2024 (Un-audited) ----- (Rupees in '000) -----	March 31, 2023 (Un-audited) ----- (Rupees in '000) -----
Arif Habib Development & Engineering Consultants (Private) Limited - (Associate due to common directorship)		
- Expenses incurred on behalf of the REIT	121,520	16,251
- Project management fee charged for the period	50,835	78,179
- Advance against expenditures	14,800	50,000
Javedan Corporation Limited - (Sponsor of the REIT / associate due to common directorship)		
- Payment for partial land consideration	-	450,000
- Expenses incurred on behalf of the REIT	-	188,425
- Customer advances received on behalf of the REIT	1,691	14,827
- Reimbursement to JCL for expenses incurred on behalf of Scheme	35,639	99,204
- Repayment to the REIT in respect of amounts received from customer	-	319,430
- Amounts received in respect of scrap sales and customer collection	40,000	-
- Amounts received in respect of apartments sold	458,690	-
- Revenue in respect of apartments sold	379,555	-
Safe Mix Concrete Limited - (Associate due to common directorship)		
- Purchases of construction material	367,149	683,024
- Payments made in respect of construction material	371,347	251,172
Rahat Residency REIT (RRR) - (Associate due to common directorship)		
- Customer advances received on behalf of RRR	500	-
- Scrap sales made on behalf of RRR	1,481	-
Signature Residency REIT (SRR) - (Associate due to common directorship)		
- Customer advances received on behalf of SRR	1,311	-
NN Maintenance Company (Private) Limited - (Associate due to common directorship)		
- Electricity charged during the year	6,040	-
- Amount paid in respect of electricity charges	9,195	-
Power Cement Limited - (Associate due to common directorship)		
- Purchases of cement bags	23,975	-
- Payments made in respect of cement bags	23,975	-
Aisha Steel Mills Limited - (Associate due to common directorship)		
- Transportation charges for of G.I sheets	21	-
Haji Abdul Ghani - (Associate due to sponsor of the REIT)		
- Amounts received in respect of apartments sold	242,735	241,032
- Revenue in respect of apartments sold	164,447	331,954
Muhammad Arif Habib - (Director of Management Company)		
- Amounts received in respect of apartments sold	145,348	-
- Revenue in respect of apartments sold	164,447	-
Arif Habib Limited - (Associate due to common control)		
- Amounts received in respect of apartments sold	-	183,806
- Revenue in respect of apartments sold	51,716	60,776

	March 31, 2024 (Un-audited) ----- (Rupees in '000) -----	March 31, 2023 (Un-audited)
Muhammad Kashif A. Habib - (Close relative of a director)		
- Amounts received in respect of apartments sold	5,160	9,202
- Revenue in respect of apartments sold	5,990	6,045
Abdus Samad A. Habib - (Director of Management Company)		
- Amounts received in respect of apartments sold	-	2,749
- Revenue in respect of apartments sold	2,897	3,063
Razi Haider - (CFO & Company Secretary of Management Company)		
- Amounts received in respect of apartments sold	1,367	1,119
- Revenue in respect of apartments sold	1,985	1,081
Alamgir A Shaikh - (Director of sponsor)		
- Amounts received in respect of apartments sold	745	1,243
- Revenue in respect of apartments sold	1,985	2,104
22.2 Amounts outstanding as at period / year end:	March 31, 2024 (Un-audited)	June 30, 2023 (Audited) ----- (Rupees in '000) -----
Arif Habib Dolmen REIT Management Limited - (Management Company)		
- Remuneration of the REIT Management Company payable	14,000	7,371
- Sindh Sales Tax payable on remuneration of the REIT Management Company	1,820	908
- Payable in respect of development & other expenditure	59	580
- Payable in respect of fees and subscriptions	150	150
Central Depository Company of Pakistan Limited - (Trustee)		
- Remuneration of the Trustee payable	11,196	6,996
- Sindh Sales Tax payable on remuneration of the Trustee	1,456	910
Arif Habib Development & Engineering Consultants (Private) Limited - (Associate due to common directorship)		
- Payable in respect of expenses incurred on behalf of the REIT	101,590	5,070
- Payable in respect of project management fee	169,284	118,449
Javedan Corporation Limited (JCL) - (Sponsor of the REIT / associate due to common directorship)		
- Payable in respect of expenses incurred on behalf of the REIT	285,486	321,125
- Net receivable in respect of scrap sales	-	18,670
- Receivable in respect of amounts received from customers on behalf of the REIT	284,375	296,014
- Outstanding land consideration	250,000	250,000
- Contract liability outstanding	79,135	-
Safe Mix Concrete Limited - (Associate due to common directorship)		
- Payable in respect of purchases of construction material	44,968	49,166
Aisha Steel Mills Limited - (Associate due to common directorship)		
- Payable in respect of G.I sheets	-	29,422

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
Power Cement Limited - (Associate due to common directorship)		
- Payable in respect cement bags	-	-
NN Maintenance Company (Private) Limited - (Associate due to common directorship)		
- Payable in respect of electricity charges	-	3,155
Rahat Residency REIT (RRR) - (Associate due to common directorship)		
- Payable in respect of scrap sales	3,399	1,918
- Payable in respect of advances received on behalf of RRR	500	-
Signature Residency REIT (SRR) - (Associate due to common directorship)		
- Payable in respect of advances received on behalf of SRR	1,311	-
Muhammad Arif Habib - (Director of Management Company)		
- Contract asset outstanding	132,433	113,334
Haji Abdul Ghani - (Associate due to sponsor of the REIT)		
- Contract asset outstanding	35,046	113,334
Razi Haider - (CFO & Company Secretary of Management Company)		
- Contract asset outstanding	1,847	1,229
Arif Habib Limited - (Associate due to common control)		
- Contract liability outstanding	48,432	100,148
Muhammad Kashif A. Habib - (Close relative of a director)		
- Contract asset outstanding	5,701	4,871
Abdus Samad A. Habib - (Director of Management Company)		
- Contract asset outstanding	5,583	2,686
Alamgir A Shaikh - (Director of sponsor)		
- Contract asset outstanding	2,469	1,229

23 OPERATING SEGMENTS

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the RMC has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the REIT's portfolio and considers the REIT to have a single operating segment. The REIT's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the REIT's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the accounting and reporting standards as applicable in Pakistan.

The REIT is domiciled in Pakistan and all of its income is generated in Pakistan.

The REIT functions as a single operating segment. Income is derived from the sale of apartments under development that meets the over time criteria of revenue recognition, the REIT's performance is measured using an input method, by reference to the input towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the project.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates.

24.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the REIT to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

24.2 Accounting classifications and fair values of financial instruments

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

March 31, 2024 (Un-audited)							
Carrying amount				Fair value			
Financial instruments 'at fair value through other comprehensive income'	Financial instruments 'at fair value through profit or loss'	Financial instruments 'at amortised cost'	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets - not measured at fair value							
Long term deposits	-	6,276	6,276	-	-	-	-
Contract assets	-	1,772,778	1,772,778	-	-	-	-
Other receivables	-	596	596	-	-	-	-
Bank balances	-	19,708	19,708	-	-	-	-
	-	1,799,358	1,799,358				
Financial liabilities - not measured at fair value							
Long term loan	-	1,316,667	1,316,667	-	-	-	-
Payable to joint operator	-	86,379	86,379	-	-	-	-
Outstanding land consideration	-	250,000	250,000	-	-	-	-
Contract liabilities	-	130,565	130,565	-	-	-	-
Payable to the REIT Management Company	-	14,209	14,209	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	11,196	11,196	-	-	-	-
Trade and other payables	-	325,038	325,038	-	-	-	-
Accrued expenses and other liabilities	-	318,200	318,200	-	-	-	-
Dividend Payable	-	12,389	12,389	-	-	-	-
Accrued markup on long term loan	-	159,753	159,753	-	-	-	-
Commission payable	-	2,091	2,091	-	-	-	-
	-	2,626,487	2,626,487				

June 30, 2023 (Audited)							
Carrying amount				Fair value			
Financial instruments 'at fair value through other comprehensive income'	Financial instruments 'at fair value through profit or loss'	Financial instruments 'at amortised cost'	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets - not measured at fair value

Long term deposits	-	-	3,057	3,057	-	-	-	-
Contract assets	-	-	1,535,223	1,535,223	-	-	-	-
Receivable from joint operator	-	-	148,540	148,540	-	-	-	-
Other receivables	-	-	521	521	-	-	-	-
Bank balances	-	-	7,307	7,307	-	-	-	-
	-	-	1,694,648	1,694,648	-	-	-	-

Financial liabilities - not measured at fair value

Long term loan	-	-	1,400,000	1,400,000	-	-	-	-
Outstanding land consideration	-	-	250,000	250,000	-	-	-	-
Contract liabilities	-	-	178,044	178,044	-	-	-	-
Payable to the REIT Management Company	-	-	8,101	8,101	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	-	6,996	6,996	-	-	-	-
Trade and other payables	-	-	126,789	126,789	-	-	-	-
Accrued expenses and other liabilities	-	-	146,663	146,663	-	-	-	-
Accrued mark-up on long term loan	-	-	81,396	81,396	-	-	-	-
Commission payable	-	-	2,091	2,091	-	-	-	-
	-	-	2,200,080	2,200,080	-	-	-	-

25 INTEREST IN JOINT ARRANGEMENTS

(Payable to) / receivable from the Bank	Note	March 31,	June 30,
		2024	2023
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
Opening balance		148,540	-
Land (including land transfer duties and taxes) transferred to the Bank	25.1	-	432,577
Development expenditures during the period / year		174,029	525,062
Transferred to Inventory property during the period / year	25.3	(166,696)	-
Bank's share of cumulative tax charge during the period / year		4,748	26,933
Gain on disposal under Musharaka arrangement		-	52,693
Amount received from the Bank	25.2	(247,000)	(888,725)
Closing (payable) / receivable		(86,379)	148,540

- 25.1** On September 26, 2022, the REIT and Meezan Bank Limited (the Bank) entered into a 'Shirkat-ul-Aqd' arrangement for construction and development of residential Towers 2, 3 and 4 (the Musharaka Asset) of the Project. The Musharaka Asset is currently being owned by the REIT. The total estimated construction and development expenditures for the Musharaka Asset is Rs. 3,745 million (June 30, 2023: Rs. 3,618 million). As per the framework agreement, both the REIT and the Bank (collectively referred as 'the Partners') have agreed to be jointly develop the Musharaka Asset under an equal partnership whereby each party shall invest 50% of the amount required for construction and development expenditures (including the value of land). Under the framework agreement, the Partners have agreed to jointly own the Musharaka Asset in such a manner that each Partner will have equal undivided ownership. During the Musharaka period, legal title to the Musharaka Asset so purchased by the Bank will be held by the REIT on the behalf of the Bank. All decisions with respect to development and sale of the Musharaka Asset would be made only with unanimous consent of the Partners. The Partners have agreed to share the operating profits generated from the sale of the Musharaka Asset in accordance with the agreed profit-sharing ratio of 50:50 and in case of loss will also share in the ratio of 50:50. During the Musharaka period, the Partners may make provisional profit payments in such manner and at such time as may be mutually agreed between the Partners.

The above arrangement falls within the purview of 'Joint Operations' in accordance with IFRS - 11 since both Partners jointly control the development and construction of the Musharaka Asset and have rights to the assets and obligations for the liabilities relating to the Musharaka Asset.

25.2 In order to execute the above-mentioned arrangement, the REIT entered into an arrangement with the Bank on September 26, 2022 to sell 50% of the project site for the said towers (Musharaka Asset) at a consideration of Rs. 485.270 million. The carrying value of the land disposed of was Rs. 432.577 million which resulted in the gain on disposal of Rs. 52.693 million. Moreover, the cost incurred till September 26, 2022 (including cost of grey structure) appearing in the books of the REIT as "Inventory property" amounted to Rs 456.452 million. As per the terms of agreement, the Bank has to make 50 percent contribution for the cost of the project. Therefore, 50 percent of the carrying amount of the grey structure was disposed off by the REIT to the Bank at the carrying amount of Rs 228.226 million.

As at March 31, 2024 the Bank has contributed a total sum of Rs. 1135.725 million (June 30, 2023: Rs. 888.725 million) which includes the consideration of Rs. 485.270 million for land as mentioned above. All of the expenses incurred till September 26, 2022 have been adjusted from the carrying amount of the Musharaka Asset. Any amount left is to be adjusted from future development expenditures.

Moreover, as disclosed in note 20 to these condensed interim financial statements, the tax charge for the period is calculated as a period cost since the total tax liability for the Project is computed as a fixed levy under the provisions of Section 100D. The proportionate tax charge till date (from the start of the Project) for the Musharaka Assets amounted to Rs 63.362 million. Accordingly, the Bank's share of tax amounted to Rs 31.681 million.

Subsequent to the Musharaka Agreement date, any development expenditures pertaining to the Bank's share of Musharaka Asset incurred by the REIT shall be adjusted against the balance payable / receivable to / from the joint operator.

25.3 During the period, the management has reallocated the cost of Musharaka assets from estimated cost basis for overall projects under Globe Residency REIT to actual cost basis (specific to Musharaka assets) based on communication received from the Bank and the management's concurrence on the same. Consequently, the relevant adjustments have been made to the inventory property. The cost of Musharaka asset upto March 31, 2024 allocated to Meezan Bank Limited amounts to Rs. 1049.346 million.

26 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following amounts appearing on the condensed interim statement of cash flows:

	March 31, 2024 (Un-audited) ----- (Rupees in '000) -----	March 31, 2023 (Un-audited) ----- (Rupees in '000) -----
Bank balances	<u>19,708</u>	<u>10,281</u>

27 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

28 GENERAL

28.1 Figures in the condensed interim financial statements for the quarters ended March 31, 2024 and March 31, 2023 have not been subjected to limited scope review of the auditors.

28.2 All financial information presented has been rounded off to the nearest thousand rupees, except otherwise stated.

29 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 30, 2024 by the Board of Directors of the RMC.

**For Arif Habib Dolmen REIT Management Limited
(Management Company)**



Chief Financial Officer



Chief Executive Officer



Director

