

# GLOBE RESIDENCY REIT

## ANNUAL REPORT

2021



MANAGED BY



ARIF HABIB DOLMEN  
REIT MANAGEMENT LIMITED





# TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>Scheme's Information</b>   | <b>3</b>  |
| <b>Vision, Mission</b>  | <b>5</b>  |
| <b>Board of Directors' Profile</b>  | <b>7</b>  |
| <b>Chairman's Review</b>  | <b>11</b> |
| <b>Directors' Report</b>  | <b>13</b> |
| <b>Pattern of Unit holding</b>  | <b>21</b> |
| <b>Financial Highlights</b>   | <b>22</b> |
| <b>Statutory Reports</b>  | <b>24</b> |
| <b>Valuation Report</b>   | <b>25</b> |
| <b>Review Report to the Unit Holders on Statement of Compliance with Code of Corporate Governance</b> | <b>46</b> |
| <b>Statement of Compliance with Code of Corporate Governance</b>                                      | <b>47</b> |
| <b>Independent Auditor's Report</b>   | <b>50</b> |
| <b>Financial Statements</b>   | <b>53</b> |
| <b>Directors' Report in Urdu Language</b>   | <b>93</b> |

# Globe Residency REIT Scheme's Information

|  |  |   |
|--|--|---|
| <b>Management Company</b>                          | Arif Habib Dolmen REIT Management Limited  |   |
| <b>Board of Directors</b>                          | Mr. Arif Habib<br>Mr. Nadeem Riaz<br>Mr. Naeem Ilyas<br>Ms. Tayyaba Rasheed<br>Mr. Muhammad Noman Akhter<br>Mr. Abdus Samad A. Habib<br>Mr. Faisal Nadeem<br>Mr. Sajid Ullah Sheikh<br>Mr. Muhammad Ejaz | Chairman<br>Director<br>Independent Director<br>Independent Director<br>Independent Director<br>Director<br>Director<br>Director<br>Chief Executive Officer |
| <b>Audit Committee</b>                             | Mr. Naeem Ilyas<br>Mr. Abdus Samad A. Habib<br>Mr. Sajid Ullah Sheikh<br>Mr. Muhammad Noman Akhter   | Chairman<br>Member<br>Member<br>Member  |
| <b>Human Resource &amp; Remuneration Committee</b> | Ms. Tayyaba Rasheed<br>Mr. Abdus Samad A. Habib<br>Mr. Sajid Ullah Sheikh<br>Mr. Muhammad Ejaz   | Chairperson<br>Member<br>Member<br>Member   |

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



# VISION

Our vision is to become the preferred real estate developer known for transforming urban landscapes and enhancing the quality of life for residents and investors alike. We strive to be industry leaders in innovation, sustainability, and customer satisfaction, with a portfolio of iconic properties that leave a lasting legacy for generations to come.

# MISSION

Our mission is to create exceptional living spaces and investment opportunities by delivering high quality real estate projects that exceed the expectations of our clients and enhance the communities we serve. We are committed to integrity, innovation, and sustainable development practices that enrich the lives of our stakeholders.



# DIRECTORS' PROFILE

## Mr. Arif Habib Chairman

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

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

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

### Corporate Responsibilities As Chairman

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

### As Director

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

### As Honorary Trustee/Director

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

## Mr. Nadeem Riaz Non-Executive Director

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

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

### Corporate Responsibilities As Director

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

## Mr. Naeem Ilyas Independent Director

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

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

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

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

### Corporate Responsibilities

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

### As Director

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

## Ms. Tayyaba Rasheed Independent Director

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

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

### Corporate Responsibilities As Director

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

## Mr. Muhammad Noman Akhter

### Independent Director

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

#### Corporate Responsibilities

Proton Technologies (Private) Limited (Chief Executive)

#### Partnerships

Faizan Associates  
AabPara Residency  
KNJ Builders and Developers

#### As Director

Tech Menders (Private) Limited

## Mr. Abdus Samad A. Habib

### Non-Executive Director

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

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

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

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

#### Corporate Responsibilities

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

#### As Chairman

NN Maintenance Company (Private) Limited

#### As Director

Aisha Steel Mills Limited  
Arif Habib Corporation Limited  
Arif Habib Equity (Pvt.) Limited  
Arif Habib Foundation  
Arif Habib Development and Engineering Consultants (Private) Limited  
Black Gold Power Limited  
Nooriabad Spinning Mills (Pvt.) Limited  
Memon Health and Education Foundation  
Pakistan Opportunities Limited

## Mr. Faisal Nadeem

### Non-Executive Director

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

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

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

#### Corporate Responsibilities

##### As Director

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

## Mr. Sajid Ullah Sheikh

### Non-Executive Director

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

#### Corporate Responsibilities

##### As Director

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

## Mr. Muhammad Ejaz

### Chief Executive

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

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

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

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

#### Corporate Responsibilities

##### As Director

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

# CHAIRMAN'S REVIEW

## Dear Unitholders of Globe Residency REIT

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

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

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

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

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

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

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

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

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

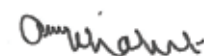
All meetings of the Board, as well as those of its Committees were held with the requisite quorum and all the decisions were taken through Board resolutions. The minutes of the Board meetings, as well as that of its Committees were accurately recorded and circulated amongst the Members with regularity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

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

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

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

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



**Arif Habib**  
Chairman

September 15, 2023



# DIRECTORS' REPORT

## Dear Unitholders of Globe Residency REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited (RMC), we are pleased to present the Directors' Review report of Globe Residency REIT ("GRR" or "the Scheme") for the financial year ended June 30, 2023.

### Overview

Globe Residency REIT is as a pioneering developmental REIT scheme dedicated to the development and sale of Globe Residency Apartments; a residential complex offering 1,344 apartment units across 9 towers over 40,500 square yards FL-site. This complex is located within Naya Nazimabad, one of Karachi's largest gated projects.

Globe Residency REIT is the first developmental REIT Scheme, which was listed on December 28, 2022 on the Pakistan Stock Exchange (PSX).

A significant part in the development and management of Globe Residency's real estate assets is a strategic Musharaka Agreement with Meezan Bank Limited. Following are the key points in this agreement:

**Partnership Nature:** The agreement establishes a Musharaka partnership between Globe Residency REIT and Meezan Bank Limited. Musharaka is a form of Islamic financing and partnership where parties pool their resources and share profits and losses based on an agreed-upon ratio.

**Asset Focus:** The partnership specifically covers three out of the nine towers owned by Globe Residency REIT as real estate assets included in the Musharaka arrangement.

**Profit and Loss Sharing:** Both parties have agreed to share profits and losses on a 50/50 basis. This means that any profits generated from the specified towers will be equally distributed between Globe Residency REIT and Meezan Bank Limited. Conversely, any losses incurred will also be shared equally.

**Construction and Sales Acceleration:** The agreement is designed to expedite the construction process and streamline the sales of the specified towers. Meezan Bank Limited will provide financing or other support to help accelerate the completion of these towers.

**Operational Excellence and Market Leadership:** Globe Residency REIT highlights its commitment to operational excellence and market leadership through this strategic collaboration. By partnering with a reputable bank like Meezan Bank Limited, Globe Residency aims to leverage the bank's expertise and resources to enhance its real estate operations and market position.

In summary, the Musharaka Agreement between Globe Residency REIT and Meezan Bank Limited represents a significant move to optimize the management and profitability of a portion of Globe Residency's real estate assets. It reflects their shared commitment to achieving operational excellence and a leading position in the real estate market through this strategic partnership.

## Financial and Operational Performance

The following table provides a summary of the financial performance of GRR for the year ended June 30, 2023:

|   | For the Year Ended<br>June 30, 2023 |
|---|-------------------------------------|
| Revenue from contracts with customers                 | 2,849,842                           |
| Cost of sales   | (2,422,323)                         |
| Administrative and operating expenses                 | (127,957)                           |
| <b>Net operating income</b>                           | <b>299,562</b>                      |
| Gain on disposal under Musharaka arrangement          | 52,693                              |
| <b>Profit after Tax</b>                               | <b>271,083</b>                      |
| <b>Earnings per unit - Basic and diluted (Rupees)</b> | <b>1.936</b>                        |

Financial and operational performance are both progressing well with strong sales, revenue generation, and consistent installment recovery rates. Additionally, construction milestones remain in line with our business plan, which ensures the project's successful completion.

Of the total inventory of 1,344 apartment units, 779 units have been sold of which 155 apartments have been sold in the current year. The total consideration for these sales amounts to PKR 11.879 billion, with PKR 2.722 billion generated in the current year. The increase in apartment pricing is attributed to strong demand and adequately covers rising construction costs.

The recovery rate of installments remains high at approximately 90%, a positive sign for the project's financial stability.

Maintaining construction progress according to the schedule is crucial for meeting timelines and ensuring the quality standards of the project. In line with our business plan, approximately 45.84% of the construction has been completed.

It's essential to continue monitoring and managing the project carefully to ensure it stays on track and meets its objectives.

### Business Environment

The real estate business in Pakistan is going through a period of rapid change owing to drastic changes in economic, political, and social environment. Major factors such as fiscal adjustment and subsidy removal under the IMF program, rising inflation from 11.9% to 29.2% and a volatile political scenario has caused uncertainty in the market. Inflation has especially impacted food, fuel and electricity pricing.

The appreciation in USD has nullified the gains made in real estate investments thus driving down transaction volumes especially in speculative markets. Despite the USD pricing having recently seen some correction, the market has not responded to this and generally views this as a temporary adjustment.

With the stabilization of the exchange rates, we expect an increasing interest from overseas investors seeking an appealing entry point into the market.

While construction projects have gained momentum, cost has seen a sharp rise and developers are unsure about how to price their projects due to unknown costs.

The market is presently driven by need based buying, particularly in the residential market. Urbanization, the country's growing population, and a growing middle class remain resilient market drivers.

The market has started seeing recovery in segments such as middle-income housing. We expect this trend to carry through to other segments with the general elections expected to be a turning point.



## Business Risk Summary

Real estate market has been volatile over the last year with inflation and rising construction costs being a major challenge. GRR's steadfast commitment to innovation, unwavering dedication to delivering exceptional quality, and a resolute focus on providing outstanding customer experiences not only allow us to effectively manage these challenges but also enable us to leverage them as opportunities for growth and differentiation. As we navigate the dynamic business landscape, we remain confident that the project's resilience and adaptability will continue to drive success and innovation.

## Outlook

The economy of Pakistan is going through a period of economic readjustment and the real estate development sector is particularly vulnerable to the economic slowdown, as it is heavily reliant on capital and lacks access to financial assistance.

The real estate sector is a major employment generator, second only to agriculture. In response to the government's incentives, many projects were launched with varying levels of success. The aim of these projects was to boost the sector and general economic growth.

Therefore, it is essential to extend the timelines provided under the government's incentive framework carefully to ensure successful completion of the projects, which will ultimately lead to economic revival and prosperity in this region.

In these difficult times, we take great pride in the strength of our organization, management experience, and the quality of our clients. Together, they make us stand out in a very competitive market. With firm belief, we execute our business plan within the defined cost, quality, and timeframes to ensure the success of what we do. We have high hopes for the long-term success of our Developmental Real Estate Investment Trusts (REITs). We believe it will weather the storm and continue to prosper.

## Corporate Governance

GRR is Pakistan's first developmental REIT Scheme that is listed on the Pakistan Stock Exchange. The Board of RMC and management are committed to observe the Code of Corporate Governance and are cognizant of their responsibilities to monitor operations and performance, enhance accuracy, comprehensiveness, and transparency of financial and non-financial information.

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

In compliance with the Code, the Board hereby reaffirms that there is no doubt about GRR's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance. It is management's endeavour to excel through better Corporate Governance with fair and transparent practices

## Trading in Scheme's Units by Directors and Executives

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

## Directors' Attendance at Board and its Committee Meetings

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

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

## Directors' Remuneration

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

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

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

## Composition of the Board

The current composition of the board is as follows:

### Total Number of Directors:

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

## Composition:

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

## Committees of the Board:

### Audit Committee

|                        |          |
|------------------------|----------|
| Mr. Naeem Ilyas        | Chairman |
| Mr. Noman Akhter       | Member   |
| Mr. Samad A. Habib     | Member   |
| Mr. Sajid Ullah Sheikh | Member   |

### Human Resource & Remuneration Committee

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

### Pattern of Unitholding

The units of GRR are listed on the Pakistan Stock Exchange. There were 1,444 unitholders of GRR as of June 30, 2023. The detailed pattern of unitholding and categories of unitholding of GRR including units held by Directors and Executives, if any, are provided as Annexure-II.

| Categories of Unit holders   | Units Held         | %          |
|--|--------------------|------------|
| Directors and their spouse(s) and minor children                               | 190,214            | 0.14       |
| Associated Companies, undertakings, and related parties                        | 100,043,083        | 71.46      |
| Executive  | 6,836              | -          |
| NIT and ICP  | -                  | -          |
| Banks, Development Financial Institutions, Non Banking Financial Institutions. | -                  | -          |
| Insurance Companies  | 74,180             | 0.05       |
| Modarabas and Mutual Funds   | -                  | -          |
| General Public   |                    |            |
| a. Local   | 33,256,971         | 23.75      |
| b. Foreign   | 143,690            | 0.10       |
| Others   | 6,285,026          | 4.50       |
| <b>Total</b>   | <b>140,000,000</b> | <b>100</b> |

## Financial and Business Highlights

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

### Audit Committee

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

### Auditors

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

### Election of Directors

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

### Post Balance Sheet Events

There have been no material changes since June 30, 2023, to the date of this report except the declaration and distribution of a Final Cash Dividend @ Rs. 3.00 / unit i.e., 30 %. The effect of this declaration shall be reflected in next year's financial statements.

### Related Party Transactions

To comply with the requirements of REIT Regulations and Code of Corporate Governance, GRR presented all related party transactions before the Audit Committee and Board of RMC for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in note 29 of the annexed audited financial statements.

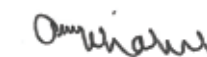
### Acknowledgement

We are thankful to GRR's valued investors, the Securities and Exchange Commission of Pakistan, the management of Pakistan Stock Exchange Limited, the Trustees of GRR and all business partners for their continued cooperation and support. We also appreciate the effort put in by the management team.

For and on behalf of the Board



**Muhammad Ejaz**  
Chief Executive  
September 15, 2023  
Karachi.



**Arif Habib**  
Chairman



# ANNEXURE 1

Statement showing units bought and sold by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their Spouses and Minor Children from December 28, 2022 to June 30, 2023.

| NAME OF DIRECTOR          | DESIGNATION             | UNITS BOUGHT | UNITS SOLD | REMARKS |
|---------------------------|-------------------------|--------------|------------|---------|
| Mr. Arif Habib            | Chairman                | 10,787,938   | 10,787,938 |         |
| Mr. Nadeem Riaz           | Director                | -            | -          |         |
| Mr. Naeem Ilyas           | Director                | -            | -          |         |
| Ms. Tayyaba Rasheed       | Director                | -            | -          |         |
| Mr. Muhammad Noman Akhter | Director                | -            | -          |         |
| Mr. Abdus Samad A. Habib  | Director                | 18,815       | -          |         |
| Mr. Faisal Nadeem         | Director                | 170,899      | -          |         |
| Mr. Sajidullah Sheikh     | Director                | -            | -          |         |
| Mr. Muhammad Ejaz         | Chief Executive         | 500          | -          |         |
| Mr. Razi Haider           | CFO & Company Secretary | 6,836        | -          |         |

# ANNEXURE II PATTERN OF UNIT HOLDING

Categories of Unit Holders as at June 30, 2023

| Categories of Unit Holders  | No. of Unit Holders | No. of Unit Held | Holding % |
|---|---------------------|------------------|-----------|
| <b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>    |                     |                  |           |
| Mr. Abdus Samad A Habib   | 1                   | 18,815           | 0.01      |
| Mr. Faisal Nadeem   | 1                   | 170,899          | 0.12      |
| Mr. Muhammad Ejaz   | 1                   | 500              | 0.00      |
| <b>Associated Companies, undertakings and related parties</b>                       | 3                   | 100,043,083      | 71.46     |
| <b>Executives</b>   | 1                   | 6,836            | 0.00      |
| <b>NIT and ICP</b>  | 0                   | -                | -         |
| <b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b> | 0                   | -                | -         |
| <b>Insurance Companies</b>  | 1                   | 74,180           | 0.05      |
| <b>Modarabas and Mutual Funds</b>   | 0                   | -                | -         |
| <b>General Public</b>   |                     |                  |           |
| a. Local  | 1373                | 33,256,971       | 23.75     |
| b. Foreign  | 49                  | 143,690          | 0.10      |
| <b>Foreign Companies</b>  | 0                   | -                | -         |
| <b>Others</b>   | 14                  | 6,285,026        | 4.49      |
| <b>Total</b>  | 1444                | 140,000,000      | 100.00    |

| Unit holders holding 10% or more      | Unit Held  | Percentage |
|---------------------------------------|------------|------------|
| <b>ARIF HABIB CORPORATION LIMITED</b> | 77,255,802 | 55.18      |

# Pattern of Unit Holding

As of June 30, 2023

| # Of Unit holders | Unit Holding'Slab |               | Total Units Held |
|-------------------|-------------------|---------------|------------------|
| 92                | 1                 | to 100        | 1,016            |
| 604               | 101               | to 500        | 295,756          |
| 280               | 501               | to 1,000      | 273,044          |
| 357               | 1,001             | to 5,000      | 774,210          |
| 47                | 5,001             | to 10,000     | 342,684          |
| 11                | 10,001            | to 15,000     | 124,817          |
| 11                | 15,001            | to 20,000     | 193,183          |
| 2                 | 20,001            | to 25,000     | 50,000           |
| 2                 | 25,001            | to 30,000     | 57,057           |
| 8                 | 30,001            | to 35,000     | 267,411          |
| 1                 | 45,001            | to 50,000     | 50,000           |
| 2                 | 50,001            | to 55,000     | 107,121          |
| 1                 | 65,001            | to 70,000     | 68,360           |
| 1                 | 70,001            | to 75,000     | 74,180           |
| 1                 | 90,001            | to 95,000     | 90,421           |
| 2                 | 110,001           | to 115,000    | 227,482          |
| 1                 | 115,001           | to 120,000    | 119,396          |
| 2                 | 150,001           | to 155,000    | 304,925          |
| 1                 | 170,001           | to 175,000    | 170,899          |
| 1                 | 210,001           | to 215,000    | 212,121          |
| 1                 | 340,001           | to 345,000    | 341,502          |
| 1                 | 535,001           | to 540,000    | 536,699          |
| 1                 | 680,001           | to 685,000    | 683,500          |
| 1                 | 795,001           | to 800,000    | 800,000          |
| 2                 | 935,001           | to 940,000    | 1,870,988        |
| 1                 | 950,001           | to 955,000    | 952,005          |
| 1                 | 1,245,001         | to 1,250,000  | 1,249,801        |
| 1                 | 1,705,001         | to 1,710,000  | 1,707,833        |
| 1                 | 2,265,001         | to 2,270,000  | 2,267,710        |
| 1                 | 4,125,001         | to 4,130,000  | 4,129,811        |
| 1                 | 5,520,001         | to 5,525,000  | 5,522,690        |
| 1                 | 5,840,001         | to 5,845,000  | 5,841,129        |
| 1                 | 9,195,001         | to 9,200,000  | 9,200,000        |
| 1                 | 10,245,001        | to 10,250,000 | 10,249,166       |
| 1                 | 13,585,001        | to 13,590,000 | 13,587,281       |
| 1                 | 77,255,001        | to 77,260,000 | 77,255,802       |
| 1444              |                   |               | 140,000,000      |

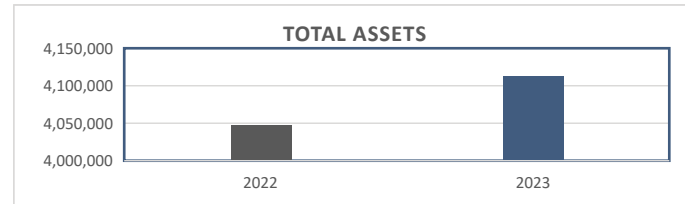
# FINANCIAL HIGHLIGHTS

| Financial Highlights                       | 30-June-2023 | 30-June-2022 |
|--|--------------|--------------|
| <b>Profitability</b>                       |              |              |
| Net Profit Margin                          | 9.51%        | 13.35%       |
| Return on total assets                     | 9.93%        | 10.18%       |
| Return on Unitholders' fund                | 22.00%       | 26.01%       |
| <b>Liquidity</b>                           |              |              |
| Current ratio (in times)                   | 3.09         | 7.13         |
| <b>Market Ratios</b>                       |              |              |
| Dividend payout ratio                      | 92.21%       | 0.00%        |
| Dividend Yield (at par @ Rs.10 per unit)   | 30.00%       | 0.00%        |
| P/E Ratio (in times)                       | 4.22         | 0.00         |
| <b>Valuation</b>                           |              |              |
| Earning per unit - Basic and diluted (PKR) | 1.936        | 2.445        |
| No. of ordinary units                      | 140,000,000  | 140,000,000  |
| <b>Trends (PKR '000)</b>                   |              |              |
| Net Operating Income                       | 299,562      | 417,029      |
| Profit after taxation                      | 271,083      | 342,360      |
| Unitholders' fund                          | 1,855,490    | 1,584,407    |
| Total assets                               | 4,113,180    | 4,049,813    |

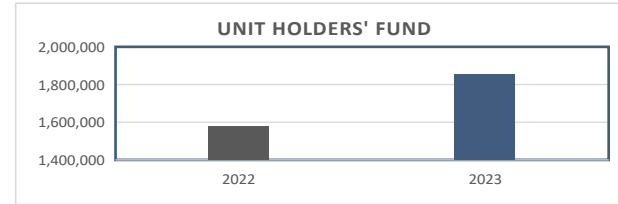


# FINANCIAL HIGHLIGHTS (PKR '000)

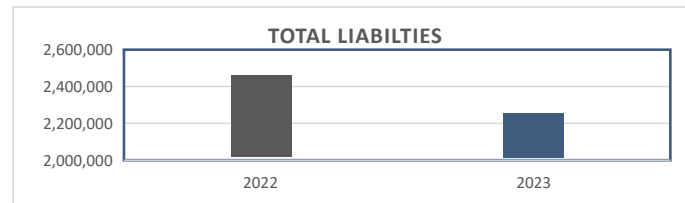
## Total Assets



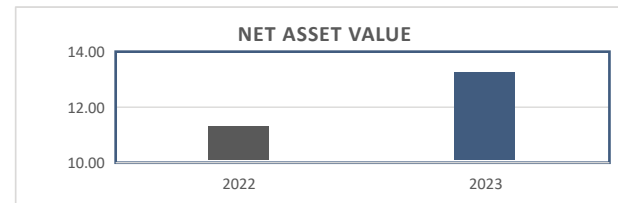
## Unitholder's Fund



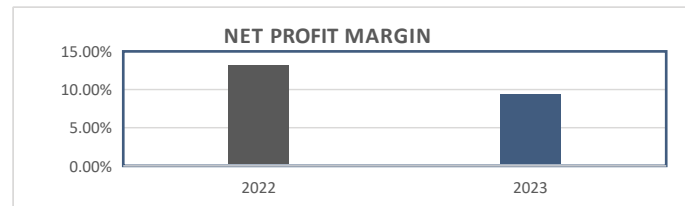
## Total Liabilities



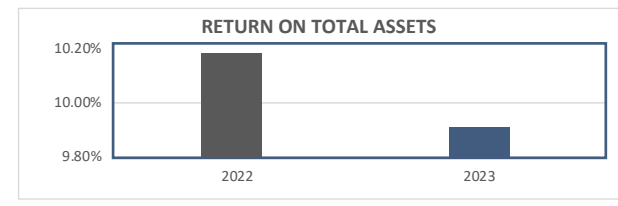
## NAV



## Net Profit Margin



## Return on Total Assets



# STATUTORY REPORTS



**VALUATION REPORT**  
**OF**  
**LAND & BUILDING**  
**(GLOBE RESIDENCY)**

FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi

ON ACCOUNT OF

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**



FOR

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

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

BY

**MYK ASSOCIATES PRIVATE LIMITED**

Head Office: MYK House, 52-A, Block B, Street 5, SMCHS, Karachi

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY**  
**(LAND & BUILDING)**  
**LOCATED AT NAYA NAZAMABAD, KARACHI**  
**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**TABLE OF CONTENTS**

|  |       |
|--|-------|
| Title page   | 1     |
| Table of Contents  | 2     |
| Covering Page of Evaluation Report                                     | 3-4   |
| About MYK Associates Private Limited                                   | 5     |
| Introduction of MYK Associates Private Limited Team                    | 6-7   |
| Introduction of Arif Habib Dolmen REIT Management Limited and Projects | 8     |
| Additional Information   | 9     |
| Description of Land  | 10    |
| Description of Estimation Methods                                      | 11-12 |
| Basic Calculation of Land & Grey Structure                             | 13-14 |
| Conclusion of the Report   | 15    |
| Declaration  | 16    |
| Photographs  | 17-20 |





**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**COVERING PAGE OF REPORT**

**MYK Reference No:** MYK/16999/07/2023

**Date of Valuation Report:** August 07, 2023

**Date of Visit:** July 18, 2023

**Date of Request Received:** Through Email on dated July 14, 2023

**Requested By:** M/s Arif Habib Dolmen REIT Management Limited

**Client Name:** **ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**Address of Property:** FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi

**Appraised By:** Team of MYK Associates Private Limited

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

**Custodian of the Land:** Sindh Board of Revenue

**Type of Property:** Residential Land & Building (Under Construction)

**Property Utilization:** Fully Commercial [ ] **Under Development** [✓] Fully Industrial [ ]

**Type of Title:** Residential (As per Documents)

**Surroundings:** Residential and Commercial [✓] Fully Residential [ ]  
Fully Industrial [ ] Fully Commercial [ ]  
Residential cum Commercial [ ]

**Sale Approach Value:** **PKR. 8,023,725,000.00**  
(As the Cost approach is not applicable on this Land & Building "Under Construction")

**Force Sale Value:** **PKR. 6,418,980,000.00**

**Valuation Basis:** Sales Comparison Approach [✓] Cost Approach [ ]

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**VALUATION INITIATIVE:**

In accordance with the provision of REIT Regulations-2015 and its amendment - 2018, M/s Arif Habib Dolmen REIT Management Limited (the company) appointed MYK Associates Pvt Ltd as a "PBA no limit valuer" and assigned the valuation of Land & Building FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi.

A team from M/s. MYK Associates Private Limited (comprising of the following officials) visited Land & Building for survey and inspection to complete the assignment within the stipulated time.

- > **Syed Shabab Raza**
- > **Engr. Muhammad Tauqir**

Meetings with the official representatives of Arif Habib Dolmen REIT Management Limited were carried out to gather the details and information regarding this property. Thereafter an extensive and detailed survey of Land & Building with reference to documents and information provided by them was conducted.



**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

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

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

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

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

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

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

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

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

**CREDENTIAL OF ENGR. IFTEKHAR AHMED**

For the last five years he is associated with MYK Associates Pvt Limited, Karachi Pakistan as Senior General Manager. He had supervised REIT valuation of "Dolman Mall and Harbor Front" for Arif Habib Dolmen REIT Management Limited for three years as per REIT Regulations. He has also supervised the valuation of many Electrical and Mechanical industries. He has conducted many Assessments and Reviews on the reports of other companies for KPMG and other international bodies for comments. By profession he has graduated (B.E.) from NED University of Engineering and Technology, Karachi and is a registered Professional Engineer of PEC (Pakistan Engineering Council), and has vast experience of national and international organizations. He also achieved legal qualifications LL.B., LL.M. and having expertise in Agreement and Contracts writing as well as to lead the legal team to litigate on technical matters. He has acquired training from ABB at Dubai, UAE in "Power Control Management" and "Assets Management" procedures".

**Following are the few valuation of industries, high-rise buildings and projects completed under his supervision:**

1. Complete SSGC Building, Terminal and Storage facilities
2. The Center Point Highrise Building
3. CDC House.
4. EFU Life Insurance Building
5. Habib Bank Plaza
6. Jubilee Insurance
7. Saif Power, Sahiwal
8. Tappal Energy Pvt, Hub Balochistan
9. HESCOL Petroleum Depots and Outlets all over Pakistan
10. Al-Karam Textiles
11. Dawlance Industries Karachi & Hyderabad and Head Office, Karachi
12. Amreli Steel Industries
13. Al-Noor Sugar Mill, Chaudhry Sugar Mill, Mehran Sugar Mill

**His other associations and affiliations are as following:**

- > **Professional Engineer (PEC).**
- > **Member IEEE (USA).**
- > **Member IEP Karachi Pakistan.**
- > **Member IEEE (Pak)**
- > **Member Sindh High Court Bar Council.**



VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

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

**TEAM OF MYK ASSOCIATES (PVT) LIMITED**

**Engr. Iftekhhar Ahmed**

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

**His other associations and affiliations are as following:**

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

**Mr. Sharjeel Siddiqui-Manager Technical Valuations**

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

**Mr. Shabab Raza-Manager Evaluations**

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

**Engr. Muhammad Tauqir- Senior Surveying Engineer:**

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

**Engr. Kiran Ashraf - Evaluation Engineer:**

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

VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

**ASSIGNMENT**

In accordance with REIT Regulations - 2015 and amendment - 2018, the REIT Management Company should appoint "PBA no limit category valuer of Panel-I or Panel-II" to evaluate the property by the qualified engineers who are registered with Pakistan Engineering Council for the purpose of conducting valuation; ensure that the valuation methodology adopted in line with best practices prevalent in the real estate industry and ensure the valuation carried out objectively and independently of its business or commercial relationship and issuance of the declaration by the competent engineer on the given format duly witnessed by the CEO of the valuer company in this respect.

M/s Arif Habib Dolmen REIT Management Limited appointed MYK Associates (Pvt) Limited to evaluate the Residential Land & Building bearing FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi in its capacity of REIT Management Company. These residential lands comprise on two pieces and in total of 40,500.00 Square Yard. The residential plots are demarcated and their details are outlined on page No: 10 and some of those plots are mortgaged to the banks. However, we have been directed by the management of M/s Arif Habib Dolmen REIT that whole area is to be taken to valuation as a one piece of land.





**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
 (LAND & BUILDING)  
 LOCATED AT NAYA NAZAMABAD, KARACHI  
 ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**ADDITIONAL INFORMATION:**

The Arif Habib Dolmen REIT Management Limited is a REIT Management Company and pioneer to establish first REIT in Pakistan. They are already managing the "Dolmen City and Harbour Front", Silk World Islamic REIT, Silk Islamic Development REIT Jam Chakro Tappo Manghopir Karachi and partner of LCB Walton, Lahore. Now they are developing another area "Land Globe Residency located at Naya Nazimabad, Karachi" under REIT in both composition (Residential REIT and Commercial REIT).

1. Residential REIT: Consists of Open Plots of land and apartments along with amenities with expected project completion time of 4 years.
2. Commercial REIT: Consist of two portions one being retail market and other being residential cum commercial with expected project completion time of 8 years.

The said "Land & Building" FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowranghi and FL-07, & FL-08 situated at Ghora Chowranghi Naya Nazimabad, Karachi, comprises of total area of 40,500.00 Square Yard in irregular shape. This Land is approachable from all prominent roads including Link road of Naya Nazimabad. The traffic flow during work hours (6-days a week) and rest of the time of this location is smooth. Several major and prominent buildings, and apartments are located on it.

This area is rapidly developing day by day. Infrastructure features such as roads, transportation, public amenities and daily work force are easily available in the vicinity and neighborhood of this Area of Karachi. Essential utilities services such as water, drainage, electricity and telephone services are also available within the neighborhood areas of the Land.

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
 (LAND & BUILDING)  
 LOCATED AT NAYA NAZAMABAD, KARACHI  
 ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**"DESCRIPTION OF LAND"**

Approach: Main Road [ ] Side Road [✓] Inside Road [ ]

Total Area: **40,500.00 Square Yard** (As per Documents)

Our assessment 40,500.00 Square Yard is based on land details provided by Arif Habib RIET Management as following:

| S No                             | Bounded by               | Dimension   | Area In Square Yard |
|----------------------------------|--------------------------|-------------|---------------------|
| FL 3                             | East Open                | 210' X 192' | 4,508.00            |
| FL 4                             | Corner South / East Open | Irregular   | 4,188.00            |
| FL 5                             | South Open               | Irregular   | 14,325.00           |
| FL 7                             | East Open                | Irregular   | 9,469.00            |
| FL 8                             | South / West Open        | Irregular   | 8,010.00            |
| <b>Total Area in Square Yard</b> |                          |             | <b>40,500.00</b>    |



**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**COST APPROACH:**

The "Cost Approach" is a real estate valuation method in which a buyer should pay for a property that should equal the cost to build an equivalent building. In cost approach appraisal, the market price for the property is equal to the cost of land plus cost of construction and services therein such as Generator for stand-by power supply, Chiller Plant and other services for such area. This approach provides the basis for determining the replacement value of the asset or property or any other fixed item or utility service in the premise. Indeed, for consideration of a cost / value in such approach the final shape of the project should have similarity along with similar utilities facilities in construction. However, it does not take into account the loss of income during construction up till the completion of the project achieving desired occupancy.



In fact, at present many housing societies are in this area is under development, so the land in this area is very prospective for any housing scheme and high-rise project after proper development and laying the services / facilities as per requirement such as road, water, sewage and parking in accordance to the housing scheme / or high-rise building. At present, vacant Land is very rare available in this area for sale / purchase as the many developers have already purchased the land for development of societies. Whereas, Arif Habib Dolmen REIT having big land in this area and intend to provide modern facilities cannot be compared with any other scheme with ordinary facilities. Therefore, we determined the value of this REIT on the basis of international standards used in development of this area, those are very much realistic to attract the buyer.

**II. SALE COMPARISON APPROACH:**

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



**Therefore, this approach is applicable in the instant case and there are some prominent projects are built, under construction & raw land in the vicinity of the under evaluated land that can be comparable to calculate the sale / purchase deal similar this land.**

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**PROS AND CONS OF THESE APPROACHES TO DETERMINE TRUE VALUE:**

These approaches also assisting the management to evaluate the growth of profit or income. It further helps to determine the real worth of the property and its appreciation or depreciation after deduction of net operating cost.

**A. Sales Comparison Approach:**

This approach is commonly used in the real estate comparison or appraisals for similar type of property. True Sale Comparison Approach emerged when there is any such process of sale/purchase in the near past. As the case of Saima Arabian Villas is the prominent project in the vicinity of the under-developed or under-construction scheme or land and we have considered their market values to calculate the saleable value of similar under-evaluated Land.

**B. Cost Approach:**

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



**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**CALCULATION OF LAND:**

**SALE COMPARAISON APPROACH**

Naya Nazimabad land is at the prime real estate location. The development in surrounding area is very fast and becoming the prominent residential hub of Karachi.

To assess the value of the land in this area by survey the Real Estate Agents/Property Dealers offices was carried out and sentiment observed encouraging to build the high-rise in this area after lifting of the ban on building high-rise buildings by the Honorable Supreme Court. Therefore, the high-rise planning and designing activities with Consulting Engineers and companies have started and the construction emerged. At present, the cost of the land of this and around this area has become attractive and observed between the range of PKR. 91,000.00 To PKR. 92,000.00 Per Square Yard depending upon the location and size of the Land. Therefore, we are taking the land value Per Square Yard on similar parameters as under:

| S No               | Bounded by             | Dimension   | Area In Square Yard | Per Sq Yds | Assessment In PKR       |
|--------------------|------------------------|-------------|---------------------|------------|-------------------------|
| FL 3               | East Open              | 210' X 192' | 4,508.00            | 100,000.00 | 450,800,000.00          |
| FL 4               | Comer South /East Open | Irregular   | 4,188.00            | 100,000.00 | 418,800,000.00          |
| FL 5               | South Open             | Irregular   | 14,325.00           | 100,000.00 | 1,432,500,000.00        |
| FL 7               | East Open              | Irregular   | 9,469.00            | 100,000.00 | 946,900,000.00          |
| FL 8               | South / West Open      | Irregular   | 8,010.00            | 100,000.00 | 801,000,000.00          |
| <b>Grand Total</b> |                        |             | <b>40,500.00</b>    |            | <b>4,050,000,000.00</b> |

**Total Assessment of Land: PKR. 4,050,000,000.00  
(Rupees Four Billion and Fifty Million Only)**

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**CALCULATION OF GREY STRUCTURE**

| CIVIL WORK PROGRESS (ONLY STRUCTURE)                   |             |                     |                          |                       |            |                         |
|--|-------------|---------------------|--------------------------|-----------------------|------------|-------------------------|
| S.No   | Description | Total Area (Sq. Ft) | Completed Area In Sq. Ft | Structure Work done % | PKR/Sq. Ft | NPV In PKR              |
| 1  | FL-03       | 324,342.00          | 216,672.00               | 67%                   | 36.%       | 650,016,000.00          |
| 2  | FL-04       | 303,645.00          | 184,944.00               | 61%                   | 35.%       | 554,832,000.00          |
| 3  | FL-05-T1    | 266,021.00          | 151,856.00               | 57%                   | 34.%       | 455,568,000.00          |
| 4  | FL-05-T2    | 239,737.00          | 109,020.00               | 45%                   | 30.%       | 327,060,000.00          |
| 5  | FL-05-T3    | 324,522.00          | 90,741.00                | 28%                   | 22.%       | 272,223,000.00          |
| 6  | FL-05-T4    | 231,182.00          | 47,289.00                | 20%                   | 14.%       | 141,867,000.00          |
| 7  | FL-07       | 716,077.00          | 276,059.00               | 39%                   | 28.%       | 828,177,000.00          |
| 8  | FL-08       | 551,731.00          | 247,994.00               | 45%                   | 28.%       | 743,982,000.00          |
| <b>GRAND TOTAL ASSESSED VALUE OF CIVIL WORK IN PKR</b> |             |                     |                          |                       |            | <b>3,973,725,000.00</b> |

**GRAND TOTAL ASSESSMENT (LAND + GREY STRUCTURE): PKR. 8,023,725,000.00**  
(I.e; PKR. 4,050,000,000.00 + PKR. 3,973,725,000.00)  
**(Rupees Eight Billion Twenty Three Million Seven Hundred and Twenty Five Thousand Only)**

**DETERMINATION OF FORCED SALE VALUE:**

In order to determine the Forced Sale Value of the Land, all the factors including the natural and physical condition of the Land, infrastructure in the neighborhood area, location, and, availability of services therein. Further, the Government's future development measures to boost the commercial activities, reliability in return of investment in short term or long term basis are also taken into consideration to determine the Forced Sale Value (FSV).

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

**Forced Sale Value (Less 20%): PKR. 6,418,980,000.00**  
**(Rupees Six Billion Four Hundred Eighteen Million Nine Hundred and Eighty Thousand Only)**



**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**CONCLUSION:**

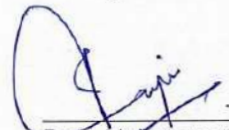
We have carried out a detailed survey and inspection of "Residential Land & Building" FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi for valuation vides REIT Regulations-2015 and amendment-2018.


| VALUATION APPROACH          | VALUE<br>(In round figures)<br>(PKR-Millions) | VALUE IN WORDS   |
|-----------------------------|---|--|
| Sale Approach Value         | 8,023   | Rupees Eight Thousand and Twenty Three Million.        |
| Cost Approach Value         |   | Not Applicable   |
| Force Sale Value (Less 20%) | 6,418   | Rupees Six Thousand Four Hundred and Eighteen Million. |

Applicable Approach: Sales Comparison Approach [✓] Cost Approach [ ]

This is a preliminary valuation report and our evaluation of this Land & Building not to be considered as accounting report. In this report a fair market valuation of Land FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, determined carefully to the best of our ability and knowledge. This land being the residential areas are shown or designated as per the details provided by M/s. Arif Habib Dolmen REIT Management Limited.

Therefore, evaluation report reflects our findings at the place mentioned therein and to the date and time of its inspection. Our assessment is computed with the assumption of market variables which influenced the value and that may vary unexpectedly time to time. In this report we have evaluated the cost of said Land & Building on the assumption of that it is free from any levies and encumbrances irrespective of any nature in title or otherwise. Our physical appraisal is based on the information and data provided by the officials of the M/s. Arif Habib Dolmen REIT Management Limited and accepted in good faith without any responsibility. We have carried out the exercise of valuation with due care and diligence and according to the REIT Regulations-2015 ammendment-2018.

  
 Engr. Muhammad Touqir  
 Surveying Engineer & Evaluations

  
 Syed Shabab Roza,  
 Manager-Evaluation & Inspection

  
 Muhammad Sharjeel Siddiqui,  
 Manager Operation

**VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
LOCATED AT NAYA NAZAMABAD, KARACHI  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**

**(VALUER DECLARATION UNDER REIT REGULATIONS – 2015 & AMENDMENT-2018)**

**DECLARATION**

1. I Engr. Muhammad Touqir, and the team of MYK Associates (Pvt.) Limited carried out a valuation of "open FL Sites of JCL bearing Nos: FL-03, FL-04, & FL-05 situated at Globe Chowrangi and FL-07, & FL-08 situated at Ghora Chowrangi Naya Nazimabad, Karachi" upon details provided by M/s Arif Habib Dolmen REIT properties, to the best of my knowledge and belief declare:

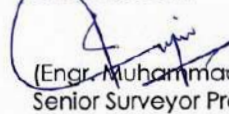
That an inspection of the Land was carried out including valuation trends and an analysis of neighborhood data the market value of the subject Real Estate as on August 07, 2023 are as below:

| VALUATION APPROACH          | VALUE<br>(In round figures)<br>(PKR-Millions) | VALUE IN WORDS   |
|-----------------------------|---|--|
| Sale Approach Value         | 8,023   | Rupees Eight Thousand and Twenty Three Million.        |
| Cost Approach Value         |   | Not Applicable   |
| Force Sale Value (Less 20%) | 6,418   | Rupees Six Thousand Four Hundred and Eighteen Million. |

Applicable Approach: Sales Comparison Approach [✓] Cost Approach [ ]

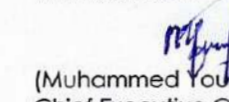
2. That the statements of fact contained in this report are true and correct.
3. That I have not withheld any information.
4. That I have no interest in the Real Estate that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. That I have not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

DECLARED BY:

  
 (Engr. Muhammad Touqir)  
 Senior Surveyor Project.



WITNESSED BY:

  
 (Muhammed Younus Khan)  
 Chief Executive Officer (CEO)  
 MYK Associates (Pvt) Ltd, Karachi.



VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED



MYK Ref No: MYK/16999/07/2023

Page No: 17 of 20

VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED



MYK Ref No: MYK/16999/07/2023

Page No: 18 of 20



VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED



MYK Ref No: MYK/16999/07/2023

Page No: 19 of 20

VALUATION REPORT FOR UNDER CONSTRUCTION PROJECT OF GLOBE RESIDENCY  
(LAND & BUILDING)  
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED



MYK Ref No: MYK/16999/07/2023

Page No: 20 of 20





A.F. FERGUSON & CO.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of Globe Residency REIT

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arif Habib Dolmen REIT Management Limited, the Management Company of Globe Residency REIT (the REIT) for the year ended June 30, 2023 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 Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the REIT'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 Management Company's personnel and review of various documents prepared by the Management 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 Management Company's corporate governance procedures and risks.

The Regulations require the Management 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 Management Company's compliance, for and on behalf of the REIT, in all material respects, with the requirements contained in the Regulations as applicable to the REIT for the year ended June 30, 2023.

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: October 18, 2023

UDIN: CR202310611hAjFLauc4

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





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

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

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

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

| Category                                  | Names   |
|---|---|
| Non-Executive Director                    | Mr. Arif Habib - Chairman<br>Mr. Nadeem Riaz<br>Mr. Abdus Samad A. Habib<br>Mr. Faisal Nadeem<br>Mr. Sajid Ullah Sheikh |
| Independent Director                      | Mr. Naeem Ilyas<br>Mr. Muhammad Noman Akhter  |
| Female Director<br>(Independent Director) | Ms. Tayyaba Rasheed   |
| Chief Executive<br>(Deemed Director)      | Mr. Muhammad Ejaz   |
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including RMC;
4. The RMC has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the RMC along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the RMC. The Board has ensured that a complete record of particulars of significant policies along with the dates of approval or updating is maintained by the RMC;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Management Company as empowered by the relevant provisions of the Companies Act, 2017, REIT Regulations, 2022 and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
9. Seven directors have certification under Directors' Training Program, one director will undergo training, while one director of the RMC is exempt from the requirement;
10. The Board has approved appointment of Chief Financial officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial officer and Chief Executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
  - a) Audit Committee
 

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

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





17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

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

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

For and behalf of the board.

**Muhammad Ejaz**  
Chief Executive



**Arif Habib**  
Chairman

September 15, 2023  
Karachi



**A.F. FERGUSON & CO.**

## INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Globe Residency REIT

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Globe Residency REIT (the REIT), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in unit holders' fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the REIT as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### 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 REIT in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

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

We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>





A.F. FERGUSON & CO.

### Responsibilities of Management and Board of Directors of the Management Company 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 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 REIT'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 REIT or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the REIT'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 REIT'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 REIT'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 REIT 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 of the Management Company 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.

A.F.F.



A.F. FERGUSON & CO.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A.F. Ferguson & Co.

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Date: October 18, 2023

UDIN: AR2023106119aUo4RK60





# FINANCIAL STATEMENTS



## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

| ASSETS  | Note | 2023                         | 2022             |
|---|------|------------------------------|------------------|
|   |      | ----- (Rupees in '000) ----- |                  |
| <b>Non-current assets</b>   |      |                              |                  |
| Property and equipment  | 4    | 372                          | 603              |
| Long term deposits  | 5    | 3,057                        | 100              |
| Contract cost assets  | 7    | 20,947                       | 19,467           |
|   |      | <u>24,376</u>                | <u>20,170</u>    |
| <b>Current assets</b>   |      |                              |                  |
| Inventory property  | 6    | 2,055,904                    | 2,301,375        |
| Current portion of contract cost assets                                 | 7    | 17,455                       | 8,849            |
| Contract assets   | 8    | 1,535,223                    | 916,202          |
| Receivable from joint operator  | 9    | 148,540                      | -                |
| Advance for development expenditure                                     | 10   | 319,190                      | 324,453          |
| Other receivables   | 11   | 4,664                        | 318,642          |
| Bank balances   | 12   | 7,307                        | 160,122          |
| Mark-up receivable on bank balances                                     |      | 521                          | -                |
|   |      | <u>4,088,804</u>             | <u>4,029,643</u> |
| <b>Total assets</b>   |      | <u>4,113,180</u>             | <u>4,049,813</u> |
| <b>UNIT HOLDERS' FUND AND LIABILITIES REPRESENTED BY:</b>               |      |                              |                  |
| <b>Unitholders' fund</b>  |      |                              |                  |
| Issued, subscribed and paid up units (140,000,000 units of Rs. 10 each) | 13   | 1,400,000                    | 1,400,000        |
| Revenue reserves  |      | 455,490                      | 184,407          |
|   |      | <u>1,855,490</u>             | <u>1,584,407</u> |
| <b>Non-current liabilities</b>  |      |                              |                  |
| Long term loan  | 14.1 | 933,333                      | 1,400,000        |
| Outstanding land consideration  | 15   | -                            | 500,000          |
|   |      | <u>933,333</u>               | <u>1,900,000</u> |
| <b>Current liabilities</b>  |      |                              |                  |
| Contract liabilities  | 16   | 178,044                      | 66,015           |
| Commission payable  |      | 2,091                        | 524              |
| Trade and other payables  | 17   | 126,789                      | 128,306          |
| Payable to the REIT Management Company                                  | 18   | 9,009                        | 11,796           |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 19   | 7,906                        | 1,578            |
| Payable to the Securities and Exchange Commission of Pakistan           | 20   | 5,600                        | 2,900            |
| Current portion of outstanding land consideration                       | 15   | 250,000                      | 200,000          |
| Current portion of long term loan                                       | 14.1 | 466,667                      | -                |
| Accrued expenses and other liabilities                                  | 21   | 196,855                      | 139,800          |
| Accrued mark-up on long term loan                                       |      | 81,396                       | 14,487           |
|   |      | <u>1,324,357</u>             | <u>565,406</u>   |
| <b>Total liabilities</b>  |      | <u>2,257,690</u>             | <u>2,465,406</u> |
| <b>Contingencies and commitments</b>                                    | 22   |                              |                  |
| <b>Total unit holders' fund and liabilities</b>                         |      | <u>4,113,180</u>             | <u>4,049,813</u> |
|   |      | (Rupees)                     | (Rupees)         |
| <b>Net assets value per unit</b>  |      | <u>13.25</u>                 | <u>11.32</u>     |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

## STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

|  | Note | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|--|------|----------------------------------|--|
|  |      | ----- (Rupees in '000) -----     |  |
| Revenue from contracts with customers  | 23   | 2,849,842                        | 2,564,540  |
| Cost of sales  | 24   | (2,422,323)                      | (2,056,955)  |
| <b>Gross profit</b>  |      | <u>427,519</u>                   | <u>507,585</u>                                     |
| Administrative and operating expenses  | 25   | (127,957)                        | (90,556)   |
| <b>Net operating income</b>  |      | <u>299,562</u>                   | <u>417,029</u>                                     |
| Gain on disposal under Musharaka arrangement                                 | 34.2 | 52,693                           | -  |
| Other income   | 26   | 99,604                           | 7,500  |
|  |      | <u>451,859</u>                   | <u>424,529</u>                                     |
| Remuneration of the REIT Management Company                                  | 18.1 | (28,000)                         | (6,981)  |
| Sindh sales tax on remuneration of the REIT Management Company               | 18.2 | (3,640)                          | (908)  |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 19.1 | (5,600)                          | (1,396)  |
| Sindh sales tax on remuneration of the Trustee                               | 19.2 | (728)                            | (182)  |
| Annual fee of the Securities and Exchange Commission of Pakistan             | 20.1 | (5,600)                          | (2,900)  |
|  |      | <u>(43,568)</u>                  | <u>(12,367)</u>                                    |
| <b>Profit before taxation</b>  |      | <u>408,291</u>                   | <u>412,162</u>                                     |
| Taxation   | 27   | (137,208)                        | (69,802)   |
| <b>Profit after taxation</b>   |      | <u>271,083</u>                   | <u>342,360</u>                                     |
|  |      | (Rupees)                         | (Rupees)   |
| <b>Earnings per unit - Basic and diluted</b>                                 | 28   | <u>1.936</u>                     | <u>2.445</u>                                       |

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director



**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023  
For the period from April 1, 2022 to June 30, 2022  
----- (Rupees in '000) -----

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| <b>Profit after taxation</b>      | 271,083        | 342,360        |
| Other comprehensive income        | -              | -              |
| <b>Total comprehensive income</b> | <u>271,083</u> | <u>342,360</u> |

The annexed notes from 1 to 36 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN UNIT HOLDERS' FUND**  
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE YEAR ENDED JUNE 30, 2023

Issued, subscribed and paid up units  
Revenue reserves Unappropriated profit  
Total unit holders' fund  
----- (Rupees in '000) -----

**Transactions with owners:**

|   |                  |                |                  |
|---|------------------|----------------|------------------|
| Issuance of 140,000,000 units at par value of Rs. 10 per unit                 | 1,400,000        | -              | 1,400,000        |
| Reserves transferred on Project acquisition                                   | -                | (157,953)      | (157,953)        |
|   | 1,400,000        | (157,953)      | 1,242,047        |
| Total comprehensive income for the period from April 1, 2022 to June 30, 2022 | -                | 342,360        | 342,360          |
| <b>Balance as at June 30, 2022</b>  | <u>1,400,000</u> | <u>184,407</u> | <u>1,584,407</u> |
| Total comprehensive income for the year                                       | -                | 271,083        | 271,083          |
| <b>Balance as at June 30, 2023</b>  | <u>1,400,000</u> | <u>455,490</u> | <u>1,855,490</u> |

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



Chief Financial Officer



Chief Executive Officer



Director



**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED JUNE 30, 2023

|   | Note | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|---|------|----------------------------------|--|
| ----- (Rupees in '000) -----  |      |                                  |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                                  |  |
| Profit before taxation  |      | 408,291                          | 412,162  |
| <b>Adjustments for non-cash items:</b>                                  |      |                                  |  |
| Depreciation expense  | 25   | 231                              | 58   |
| Finance cost  | 25   | -                                | 4,159  |
| Gain on disposal under Musharaka arrangement                            | 34.2 | (52,693)                         | -  |
|   |      | <b>355,829</b>                   | <b>416,379</b>                                     |
| <b>(Increase) / decrease in assets</b>                                  |      |                                  |  |
| Inventory property  |      | 245,471                          | (840,145)  |
| Long term deposits  |      | (2,957)                          | -  |
| Contract cost assets  |      | (10,086)                         | 5,310  |
| Contract assets   |      | (619,021)                        | (916,202)  |
| Other receivables   |      | 313,978                          | 238,046  |
| Advance for development expenditure                                     |      | 5,263                            | 183,604  |
| Mark-up receivable on bank balances                                     |      | (521)                            | -  |
|   |      | <b>(67,873)</b>                  | <b>(1,329,387)</b>                                 |
| <b>(Decrease) / increase in liabilities</b>                             |      |                                  |  |
| Contract liabilities  |      | 112,029                          | (1,315,507)  |
| Commission payable  |      | 1,567                            | 5,665  |
| Trade and other payables  |      | (1,517)                          | 128,306  |
| Payable to the REIT Management Company                                  |      | (2,787)                          | 11,796   |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |      | 6,328                            | 1,578  |
| Payable to the Securities and Exchange Commission of Pakistan           |      | 2,700                            | 2,900  |
| Outstanding land consideration  |      | (450,000)                        | 700,000  |
| Accrued expenses and other liabilities                                  |      | 69,688                           | 125,030  |
| Accrued mark-up on long term loan                                       |      | 66,909                           | 14,487   |
|   |      | <b>(195,083)</b>                 | <b>(325,745)</b>                                   |
| Carrying amount of inventory property sold to joint operator            |      | (660,803)                        | -  |
| Development expenditures paid on behalf of joint operator               |      | (296,836)                        | -  |
| Tax paid  |      | (176,774)                        | (1,125)  |
| <b>Net cash used in operating activities</b>                            |      | <b>(1,041,540)</b>               | <b>(1,239,878)</b>                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |      |                                  |  |
| Proceeds from Musharaka Capital   | 34.2 | 888,725                          | -  |
| Proceeds from long term loan  | 14   | -                                | 1,400,000  |
| <b>Net cash generated from financing activities</b>                     |      | <b>888,725</b>                   | <b>1,400,000</b>                                   |
| <b>Net (decrease) / increase in cash and cash equivalents</b>           |      | <b>(152,815)</b>                 | <b>160,122</b>                                     |
| Cash and cash equivalents at the beginning of the year / period         |      | 160,122                          | -  |
| <b>Cash and cash equivalents at end of the year / period</b>            | 12   | <b>7,307</b>                     | <b>160,122</b>                                     |

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**1. LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Globe Residency REIT (the REIT) is established under the Trust Deed dated December 24, 2021, executed between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee; and is governed under the repealed Real Estate Investment Trust Regulations, 2015 (REIT Regulations, 2015) [now Real Estate Investment Trust Regulations, 2022], promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).

**1.2** The Trust Deed of the REIT was registered on December 24, 2021 whereas approval of the registration of the REIT has been granted by the SECP on December 14, 2021. The REIT is established with the objective of construction of the acquired Real Estate into residential units under the project named "Globe Residency Apartments" (the Project), in the vicinity of Naya Nazimabad, Karachi, for generating income for Unit Holders. The Project has been acquired from Javedan Corporation Limited and as per the approval received by the REIT Management Company from the SECP vide their 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 1, 2022. The REIT is a limited life (5 years), 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 under Section 100D in relation to the income generated from sale of residential units under the Project 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 scheme 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.

**1.4** During the year, the Real Estate Investment Trust Regulations 2015 (REIT Regulations, 2015) has been repealed after the enactment of the Real Estate Investment Trust Regulations 2022 (REIT Regulations, 2022).

**1.5** During the year, the REIT has been listed on the Pakistan Stock Exchange Limited (PSX) with the approval of the SECP on December 28, 2022 under the REIT Regulations, 2022. The units of the REIT were "offered for sale" by the sponsors upon listing.

**1.6** The VIS Credit Rating Company Limited (VIS) maintained the RMC rating of the REIT Management Company to AM2+ on October 25, 2022 [2022: AM2+ on September 22, 2021]. The rating reflects the REIT Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, VIS Credit Rating Company Limited has assigned the stability rating of the REIT to RFR2 (dr) on December 20, 2022.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 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 requirements of the Trust Deed.

Where 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, and requirements of the Trust Deed differ from the IFRSs, 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, and requirements of the Trust Deed have been followed.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

### 2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates, assumptions and use judgments that affect the application of policies and 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 judgments 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 period 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.

In the process of applying the REIT's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### 2.4.1 Revenue from contracts with customers

The REIT applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### 2.4.1.1 Determination of performance obligations

With respect to the sale of apartments under development, the REIT concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of apartments under development mainly include design work, procurement of materials and development of the property. Generally, the REIT is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the REIT accounts for them as a single performance obligation because they are not distinct in the context of the contract. The REIT uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 2.4.1.2 Determining the timing of revenue recognition on the sale of apartments

The REIT has evaluated the timing of revenue recognition on the sale of apartments based on a careful analysis of the rights and obligations under the terms of the contract.

For contracts relating to the sale of apartments under development, the REIT has considered the factors contained in the contracts for the sale of apartments and concluded that the control of a multi-unit property is transferred to the customer over time because:

- (a) The REIT's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the REIT has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed, e.g., the customer's ability to change any specification of the property as it is being constructed or to transfer it to another entity. However, none of the factors is determinative and therefore, the REIT has carefully weighed all factors and used judgement to determine that it meets the over-time criterion.
- (b) The REIT's performance does not create an asset with alternative use. Furthermore, the REIT has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the apartment under development for another use during its development. In addition, the REIT is, at all times, entitled to an amount that at least compensates it for performances completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the REIT has carefully considered the contractual terms. The REIT has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the REIT and the transfer of goods and services to the customer.

### 2.4.1.3 Measurement of progress when revenue is recognised over time

For contracts involving the sale of apartments under development that meet the over time criteria of revenue recognition, the REIT's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the apartment. The REIT uses the costs incurred method (input method) as a measure of progress for its contracts because it best depicts the REIT's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the REIT excludes the effect of those costs. Also, the REIT adjusts the input method for any cost incurred that are not proportionate to the REIT's progress in satisfying the performance obligation.

### 2.5 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the REIT's accounting period beginning on July 1, 2022. The REIT Regulations, 2015 has been repealed after the enactment of the REIT Regulations, 2022 on November 28, 2022. The impact on these financial statements due to this change has been disclosed under note 35.

All other new standards, interpretations and amendments to the published accounting and reporting standards do not have any significant impact on the REIT's operations and, therefore, have not been detailed in these financials statements.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 2.6 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain other standards, amendments and interpretations that are mandatory for the REIT's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the REIT's operations and are therefore not disclosed in these financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

#### 3.1 Property and equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the REIT and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated using straight-line method to allocate their cost to their residual values over their estimated useful lives. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal. Details of estimated useful life and annual depreciation rates is disclosed in note 4.1.

#### 3.2 Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Principally, this is residential property that the REIT develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- (a) Freehold and leasehold rights for land
- (b) Amounts paid to contractors for development
- (c) Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

#### 3.3 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition or construction of an inventory property (which is a qualifying asset) that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation commences when: (1) the REIT incurs expenditures for the asset; (2) the REIT incurs borrowing costs; and (3) the REIT undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Currently, the REIT has borrowing costs directly attributable to the acquisition of or construction of qualifying assets.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The interest capitalised is calculated using the REIT's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

#### 3.4 Contract cost assets

The REIT pays sales commission to its brokers for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract that meet the criteria in IFRS 15. These costs are amortised on a systematic basis that is consistent with the revenue recognition policy and amortisation for the period is recognised as part of cost of sales in the statement of profit or loss. Capitalised costs to obtain such contracts are presented separately on the statement of financial position and its amortisation is included in cost of sales in the statement of profit or loss. The REIT assesses, at each reporting date, whether the carrying amount exceeds the remaining amount of consideration that the entity expects to receive in exchange for the residential development less the costs that relate directly to completing the development and that have not been recognised as expenses.

#### 3.5 Other receivables

Receivables are recognised in accordance with the respective repayment schedules / original invoiced price except where the time value of money is material, in which case receivables are recognised at fair value and subsequently measured at amortised cost. Refer note 3.7.1 for accounting policies on financial assets.

#### 3.6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of balances with banks and term deposit receipts having maturity of not more than three months.

#### 3.7 Financial instruments

##### 3.7.1 Financial assets

##### 3.7.1.1 Classification and subsequent measurement

The REIT has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

##### (i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds etc.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Classification and subsequent measurement of debt instruments depend on:

- the REIT's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the REIT classifies its debt instruments in one of the following three measurement categories:

### a) **At amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.8 to these financial statements.

### b) **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 3.8, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit or loss.

### c) **Fair value through profit or loss (FVPL)**

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

### (ii) **Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI is to be recognised in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 3.7.1.2 **Derecognition**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the REIT transfers substantially all the risks and rewards of ownership; or
- (ii) the REIT neither transfers nor retains substantially all the risks and rewards of ownership and the REIT has not retained control.

Any gain or loss on derecognition of financial assets is taken to the statement of profit or loss except in the case of equity instruments designated as FVOCI on initial recognition.

### 3.7.1.3 **Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the REIT commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### 3.7.2 **Investment in subsidiary companies**

Investment in subsidiary companies is stated at cost less impairment, if any, for any diminution in its value.

### 3.7.3 **Financial liabilities**

#### 3.7.3.1 **Classification and subsequent measurement**

Financial liabilities are classified and measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

#### 3.7.3.2 **Derecognition**

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

#### 3.7.4 **Initial recognition**

Financial assets and financial liabilities are recognised at the time the REIT becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

#### 3.7.5 **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 3.7.6 Business model

The business model reflects how the REIT manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the REIT in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

### 3.7.7 Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the REIT assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the REIT considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

### 3.7.8 Reclassifications

The REIT reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

### 3.7.9 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is re-measured to its fair value and the resultant gain or loss is recognised in the statement of profit or loss.

### 3.8 Impairment

#### Financial assets

The REIT recognizes a loss allowance for expected credit loss (ECL) on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The REIT always recognizes lifetime ECL for receivable. The ECL on these financial assets are estimated using a provision matrix based on the REIT's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the REIT recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the REIT measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### Non financial assets

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

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

### 3.9 Accrued and other liabilities

Liabilities for trade and other account payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the REIT.

### 3.10 Provisions

Provisions are recognized when the REIT has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.11 Contingent liabilities

A contingent liability is disclosed when the REIT 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 REIT; or the REIT 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.

### 3.12 Revenue recognition

The REIT's key source of income is revenue from contracts with customers from the sale of inventory property under development.

#### 3.12.1 Revenues from the sale of inventory property

The REIT enters into contracts with customers to sell property that are either completed or under development. Contracts to sell completed property will only be entered in the future if any apartments are sold after completion of the property development.

##### (i) Completed inventory property

The sale of completed property constitutes a single performance obligation and the REIT has determined that this is satisfied at the point in time when control transfers. This generally occurs when either legal title and / or possession of the inventory property is transferred to the customer.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### (ii) Inventory property under development

The REIT considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the REIT is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The REIT accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed apartment (the combined output) which the customer has contracted to buy.

For the sale of property under development, the REIT has determined that its performance does not create an asset with alternative use to the REIT and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

For contracts that meet the over time revenue recognition criteria, the REIT's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The REIT excludes the effect of any costs incurred that do not contribute to the REIT's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the REIT's progress in satisfying the performance obligation.

### 3.13 Contract balances

#### (i) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of IFRS 9 – refer to "Impairment" in note 3.8.

A contract liability is the obligation to transfer goods or services to a customer for which the REIT has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the REIT performs under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed to the customer, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to and certified by the customer (i.e., when a payment is due or a payment is received before the REIT transfers the remaining goods or services), the difference is recognised (as a contract liability) and presented in the statement of financial position under "Contract liabilities".

For more information on contract assets and contract liabilities, please refer to notes 8 and 16.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### (ii) Trade receivables

A trade receivable represents the REIT's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from property development activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. Refer also to the accounting policies on financial assets in this note for more information. The trade receivables are presented in the statement of financial position under "Rent and other trade receivables".

### 3.14 Finance income

Profit on bank deposits is recognized on a time proportionate basis using effective yield method.

### 3.15 Taxation

#### 3.15.1 Current

Provision for current taxation is based on taxable income for the year, if any, at the current rates of taxation after taking into consideration applicable tax credits and rebates and exemptions available, if any, and taxes paid under the final tax regime. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalised during the year.

#### 3.15.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss account, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity or when they relate to items recognised in other comprehensive income in which case it is recognised in the other comprehensive income.

### 3.16 Net assets value per unit

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

### 3.17 Earnings per unit

Earnings per unit (EPU) is calculated by dividing the profit or loss attributable to unit holders' of the REIT by the weighted average number of units outstanding during the year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|                                  | 2023<br>------(Rupees in '000)----- | 2022       |
|----------------------------------|-------------------------------------|------------|
| <b>4. PROPERTY AND EQUIPMENT</b> |                                     |            |
| Operating fixed assets           | 372                                 | 603        |
|                                  | <u>372</u>                          | <u>603</u> |

4.1 The following is a statement of operating fixed assets:

|   | 2023                        |                  |            |
|---|-----------------------------|------------------|------------|
|   | Computer equipment          | Office equipment | Total      |
|   | ------(Rupees in '000)----- |                  |            |
| <b>At July 1, 2022</b>                                    |                             |                  |            |
| Cost  | 638                         | 55               | 693        |
| Accumulated depreciation                                  | (83)                        | (7)              | (90)       |
| Net book value  | <u>555</u>                  | <u>48</u>        | <u>603</u> |
| <b>For the year ended June 30, 2023</b>                   |                             |                  |            |
| Opening net book value                                    | 555                         | 48               | 603        |
| Additions   | -                           | -                | -          |
| Disposals   |                             |                  |            |
| Cost  | -                           | -                | -          |
| Depreciation  | -                           | -                | -          |
| Depreciation charge for the year                          | (213)                       | (18)             | (231)      |
|   | <u>342</u>                  | <u>30</u>        | <u>372</u> |
| <b>At June 30, 2023</b>                                   |                             |                  |            |
| Cost  | 638                         | 55               | 693        |
| Accumulated depreciation                                  | (296)                       | (25)             | (321)      |
| Net book value  | <u>342</u>                  | <u>30</u>        | <u>372</u> |
|   |                             |                  |            |
|   | 2022                        |                  |            |
|   | Computer equipment          | Office equipment | Total      |
|   | ------(Rupees in '000)----- |                  |            |
| <b>At April 1, 2022</b>                                   |                             |                  |            |
| Cost (at Project acquisition)                             | 638                         | 55               | 693        |
| Accumulated depreciation (at Project acquisition)         | (30)                        | (2)              | (32)       |
| Net book value  | <u>608</u>                  | <u>53</u>        | <u>661</u> |
| <b>For the period from April 1, 2022 to June 30, 2022</b> |                             |                  |            |
| Opening net book value                                    | 608                         | 53               | 661        |
| Additions   | -                           | -                | -          |
| Disposals   |                             |                  |            |
| Cost  | -                           | -                | -          |
| Depreciation  | -                           | -                | -          |
| Depreciation charge for the period                        | (53)                        | (5)              | (58)       |
|   | <u>555</u>                  | <u>48</u>        | <u>603</u> |
| <b>At June 30, 2023</b>                                   |                             |                  |            |
| Cost  | 638                         | 55               | 693        |
| Accumulated depreciation                                  | (83)                        | (7)              | (90)       |
| Net book value  | <u>555</u>                  | <u>48</u>        | <u>603</u> |
| Depreciation rate: % per annum                            | 33.33                       | 33.33            |            |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Note | 2023<br>------(Rupees in '000)----- | 2022             |
|--|------|-------------------------------------|------------------|
| <b>5. LONG TERM DEPOSITS</b>                                   |      |                                     |                  |
| Security deposits with:  |      |                                     |                  |
| - Central Depository Company of Pakistan Limited               |      | 100                                 | 100              |
| - Karachi Water & Sewerage Board                               |      | 2,957                               | -                |
|  |      | <u>3,057</u>                        | <u>100</u>       |
| <b>6. INVENTORY PROPERTY</b>                                   |      |                                     |                  |
| Carrying amount at beginning of the year / Project acquisition |      | 2,301,375                           | 27,777           |
| Net additions during the year                                  |      |                                     |                  |
| Land   |      | -                                   | 3,240,000        |
| Land transfer duties and taxes                                 |      | -                                   | 19,148           |
| Development expenditures                                       |      | 1,244,858                           | 249,862          |
| Borrowing cost capitalised                                     | 6.1  | 250,307                             | 18,237           |
| Construction materials utilised                                |      | 1,617,630                           | 792,588          |
| Share of Joint Operator  | 34.2 | (296,836)                           | -                |
|  |      | <u>2,815,959</u>                    | <u>4,319,835</u> |
| Sold to joint operator under Musharaka arrangement             | 34.2 | (660,803)                           | -                |
| Transfers to Cost of sales                                     | 6.2  | (2,400,627)                         | (2,046,237)      |
|  |      | <u>2,055,904</u>                    | <u>2,301,375</u> |

6.1 This relates to borrowing cost incurred on term finance facility as discussed in note 14.1.1. The borrowing costs have been capitalized for inventory properties as these are qualifying assets.

6.2 The revenue is measured using an input method. By using the costs incurred method as a measure of progress for its contracts, the REIT's cumulative performance has been measured at 45.84% as at June 30, 2023 (June 30, 2022: 27.66%). 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.

|   | Note | 2023<br>------(Rupees in '000)----- | 2022     |
|---|------|-------------------------------------|----------|
| <b>6.3 Break-up of inventory property</b> |      |                                     |          |
| Musharaka Asset                           | 34.2 | 957,639                             | -        |
| Other inventory property                  |      | 1,098,265                           | -        |
|   |      | <u>2,055,904</u>                    | <u>-</u> |

|                                | 2023          | 2022          |
|--------------------------------|---------------|---------------|
| <b>7. CONTRACT COST ASSETS</b> |               |               |
| Current portion                | 17,455        | 8,849         |
| Non-current portion            | 20,947        | 19,467        |
| Total contract cost assets     | <u>38,402</u> | <u>28,316</u> |

|   | 2023          | 2022          |
|---|---------------|---------------|
| <b>7.1 Movement in contract cost assets</b>             |               |               |
| At beginning of the year / Project acquisition          | 28,316        | 33,630        |
| Additions   | 31,782        | 5,404         |
| Amortisation for the year (recognised in Cost of sales) | (21,696)      | (10,718)      |
| Total contract cost assets                              | <u>38,402</u> | <u>28,316</u> |



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**7.2** The REIT 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 year is recognised in Cost of sales amounted to Rs. 21.696 million (April 1, 2022 to June 30, 2022: Rs. 10.718 million). Contract cost assets are apportioned between current and non-current portion on the basis of Management's best estimate in respect of future construction projections.

|                           | Note | 2023<br>------(Rupees in '000)----- | 2022           |
|---------------------------|------|-------------------------------------|----------------|
| <b>8. CONTRACT ASSETS</b> |      |                                     |                |
| At beginning of the year  |      | 916,202                             | -              |
| Receipts during the year  |      | (2,091,201)                         | -              |
| Recorded as revenue       |      | <u>2,710,222</u>                    | <u>916,202</u> |
|                           |      | <u>1,535,223</u>                    | <u>916,202</u> |

**8.1** Contract assets are initially recognised for revenue earned from property under development but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables.

**8.2** On April 1, 2023 the management approved discounts aggregating to Rs. 269.534 million for several customers, on a case-by-case basis, with respect to the total consideration receivable from such customers against the sale of apartments. This modification in the transaction price initially agreed with the customers has been adjusted during the year via a cumulative catch-up adjustment, as per the requirement of IFRS 15, impacting the revenue recorded during the year, with corresponding adjustments to contract assets and contract liabilities balances as at the modification date.

**8.2.1** The cumulative catch-up adjustment had a decreasing impact of Rs. 65.465 million on contract assets as of the modification date.

|  | Note | 2023<br>------(Rupees in '000)----- | 2022 |
|--|------|-------------------------------------|------|
| <b>9. RECEIVABLE FROM JOINT OPERATOR</b> |      |                                     |      |
| Receivable from joint operator           | 9.1  | <u>148,540</u>                      | -    |
|  |      | <u>148,540</u>                      | -    |

**9.1** This represents net receivable from joint operator in relation to the joint operation under Musharaka arrangement, as disclosed in note 31 to these financial statements.

|  | Note | 2023<br>------(Rupees in '000)----- | 2022           |
|--|------|-------------------------------------|----------------|
| <b>10. ADVANCE FOR DEVELOPMENT EXPENDITURE</b> |      |                                     |                |
| Mobilization advance to contractors            | 10.1 | 246,867                             | 318,653        |
| Advance to supplier                            | 10.2 | 72,323                              | 5,800          |
|  |      | <u>319,190</u>                      | <u>324,453</u> |

**10.1** This represents mobilization advances paid in accordance to the agreements signed for construction of the Project to M/s. Abaseen Construction Company (Pvt.) Ltd (Contractor), M/s. Principal Builders (Contractor), M/s. AH Construction (Pvt.) Limited (Contractor) and M/s. Karizma Construction and RF Associates (Contractors).

**10.2** This represents balance of advance amount paid to M/s. Agha Steel Industries Ltd, M/s. Faizan Steel, M/s. Infinite Building Solutions, M/s. National Technology Corporation and M/s. Safe Mix Concrete Limited (Related Party) in accordance with the agreements signed for supply construction materials.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**10.2.1** The maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances for M/s. Safe Mix Concrete Limited (Related Party) was Rs. 47.873 million.

|   | Note | 2023<br>------(Rupees in '000)----- | 2022           |
|---|------|-------------------------------------|----------------|
| <b>11. OTHER RECEIVABLES</b>                                |      |                                     |                |
| Advance tax   | 11.1 | 4,664                               | -              |
| Receivable from Javedan Corporation Limited (Related Party) |      | -                                   | 318,642        |
|   |      | <u>4,664</u>                        | <u>318,642</u> |

**11.1** This amount has been paid against tax demand under the provisions of Section 4C of the Income Tax Ordinance, 2001. For detailed disclosures, refer note 22.1.1.

|                          | Note | 2023<br>------(Rupees in '000)----- | 2022           |
|--------------------------|------|-------------------------------------|----------------|
| <b>12. BANK BALANCES</b> |      |                                     |                |
| Savings accounts         | 12.1 | <u>7,307</u>                        | <u>160,122</u> |

**12.1** The rate of return on these saving accounts during the year ranges from 6.5% to 19.5% (April 1, 2022 to June 30, 2022: 5.5% to 12.25%) per annum. The mark-up rates effective at the year end on these accounts ranges from 10% to 19.5% (June 30, 2022: 8.25% to 12.25%) per annum.

**13. UNIT HOLDER'S FUNDS**

|  | 2023<br>(Number in Units) | 2022<br>(Number in Units) | Note | 2023<br>------(Rupees in '000)----- | 2022             |
|--|---------------------------|---------------------------|------|-------------------------------------|------------------|
| <b>13.1 Issued, subscribed and paid up units</b> |                           |                           |      |                                     |                  |
|  | <u>140,000,000</u>        | <u>140,000,000</u>        |      |                                     |                  |
|  | <u>140,000,000</u>        | <u>140,000,000</u>        |      |                                     |                  |
|  |                           |                           | 13.2 | <u>1,400,000</u>                    | <u>1,400,000</u> |
|  |                           |                           |      | <u>1,400,000</u>                    | <u>1,400,000</u> |

**13.2** This represents 140,000,000 (June 30, 2022: 140,000,000) ordinary units of Rs. 10/- each amounting to Rs. 1,400 million (June 30, 2022: Rs. 1,400 million).

|                           | Note | 2023<br>------(Rupees in '000)----- | 2022             |
|---------------------------|------|-------------------------------------|------------------|
| <b>14. LONG TERM LOAN</b> |      |                                     |                  |
| Term finance facility     | 14.1 | <u>1,400,000</u>                    | <u>1,400,000</u> |
|                           |      | <u>1,400,000</u>                    | <u>1,400,000</u> |

|   | 2023             | 2022             |
|---|------------------|------------------|
| <b>14.1 Break-up of term finance facility</b> |                  |                  |
| Long-term portion of term finance facility    | 933,333          | 1,400,000        |
| Current portion of term finance facility      | 466,667          | -                |
|   | <u>1,400,000</u> | <u>1,400,000</u> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**14.1.1** 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. 1.4 billion at a profit rate of 6 months KIBOR + 1.25% spread. The loan is repayable in six equal half-yearly instalments starting from September 30, 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 markup to be paid on semi-annual basis.

|   | 2023<br>------(Rupees in '000)----- | 2022    |
|---|-------------------------------------|---------|
| <b>15. OUTSTANDING LAND CONSIDERATION</b> |                                     |         |
| Current portion                           | 250,000                             | 200,000 |
| Non-current portion                       | -                                   | 500,000 |
|   | 250,000                             | 700,000 |

**15.1** This represents balance consideration payable to Javedan Corporation Limited (Related Party) in accordance with the conveyance deed executed on March 30, 2022. The amount is payable in lieu of the land acquired under the REIT project and held as development properties to be sold during the normal course of business. As per the conveyance deed, Rs. 200 million shall be payable within one year from the date of execution of the conveyance deed, whereas the remaining two installments of Rs. 250 million each shall be payable within two years and three years from the date of execution of the conveyance deed respectively.

|  | 2023<br>------(Rupees in '000)----- | 2022        |
|--|-------------------------------------|-------------|
| <b>16. CONTRACT LIABILITIES</b>                |                                     |             |
| At beginning of the year / Project acquisition | 66,015                              | 1,381,522   |
| Receipts                                       | 251,621                             | 332,831     |
| Revenue recognised                             | (139,592)                           | (1,648,338) |
|  | 178,044                             | 66,015      |

**16.1** 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, 2022: 25%) of the customers' deposits would be forfeited. 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 forfeited their deposits.

**16.2** As a consequence of the cumulative catch-up adjustment, as detailed in note 8.2, an increase of Rs. 30.203 million in contract liabilities was recorded as of the modification date, which was April 1, 2023.

|  | Note | 2023<br>------(Rupees in '000)----- | 2022    |
|--|------|-------------------------------------|---------|
| <b>17. TRADE AND OTHER PAYABLES</b>    |      |                                     |         |
| Payable to supplier                    | 17.1 | 118,429                             | 128,306 |
| Payable to Javedan Corporation Limited | 17.2 | 6,442                               | -       |
| Payable to Rahat Residency REIT        |      | 1,918                               | -       |
|  |      | 126,789                             | 128,306 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**17.1** This represents balance of amounts payable to M/s. Aisha Steel Mills Limited, M/s. Agha Steel Industries Limited, M/s. Faizan Steel, M/s. Arch Vision Plus, M/s. Safe Mix Concrete Limited, M/s. Naveena, M/s. Al Makkah Block Works, M/s. FQ Traders, M/s. Huzaifa Enterprise, M/s. Muhammad Laiq & sons, M/s. Naveena Steel Mills (Private) Limited, M/s. NN Maintenance Company (Private) Limited, M/s. Rana Traders and M/s. Safe Mix Concrete Limited in accordance with the agreements signed for the supply of construction materials.

**17.2** This represents net payable balance to Javedan Corporation Limited amounting to Rs. 6.442 million as at June 30, 2023 (net receivable balance as at June 30, 2022: 318.642 million). Refer note 28.1 for detailed disclosures of transactions during the year with Javedan Corporation Limited.

|  | Note | 2023<br>------(Rupees in '000)----- | 2022   |
|--|------|-------------------------------------|--------|
| <b>18. PAYABLE TO THE REIT MANAGEMENT COMPANY</b>                      |      |                                     |        |
| Remuneration of the REIT Management Company payable                    | 18.1 | 7,371                               | 6,981  |
| Sindh Sales Tax payable on remuneration of the REIT Management Company | 18.2 | 908                                 | 908    |
|  |      | 8,279                               | 7,889  |
| Other  |      | 730                                 | 3,907  |
|  |      | 9,009                               | 11,796 |

**18.1** Under the provisions of the REIT Regulations, 2022, the REIT Management Company is entitled to a remuneration as stated in the Offering Document and the Information Memorandum of the REIT. The REIT Management Company charges fee at the rate of 1.0% (April 1, 2022 to June 30, 2022: 1.0%) of the REIT Fund. The management fee is payable on quarterly basis in arrears.

**18.2** The Sindh Government has levied Sindh Sales Tax on the remuneration of the REIT Management Company through Sindh Sales Tax on Services Act 2011, effective from July 1, 2014. The current applicable tax rate is 13% being effective from July 1, 2016. During the year, an amount of Rs. 3.64 million (April 1, 2022 to June 30, 2022: Rs. 0.908 million) was charged on account of sales tax on remuneration of the REIT Management Company.

|  | Note | 2023<br>------(Rupees in '000)----- | 2022  |
|--|------|-------------------------------------|-------|
| <b>19. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b> |      |                                     |       |
| Remuneration of the Trustee payable  | 19.1 | 6,996                               | 1,396 |
| Sindh Sales Tax payable on remuneration of the Trustee                             | 19.2 | 910                                 | 182   |
|  |      | 7,906                               | 1,578 |

**19.1** 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 0.2% (April 1, 2022 to June 30, 2022: 0.2%) per annum of initial REIT Fund during the year and an amount of Rs. 5.6 million (April 1, 2022 to June 30, 2022: Rs. 1.396 million) has been recorded in the statement of profit or loss.

**19.2** 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 1, 2015. The current applicable rate is 13% being effective from July 1, 2016. During the year, an amount of Rs. 0.728 million (April 1, 2022 to June 30, 2022: Rs. 0.182 million) was charged on account of sales tax on remuneration of the Trustee.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|  | Note | 2023<br>----- (Rupees in '000) ----- | 2022         |
|--|------|--------------------------------------|--------------|
| <b>20. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b> |      |                                      |              |
| Annual fee payable   | 20.1 | <u>5,600</u>                         | <u>2,900</u> |

**20.1** Under the provisions of the REIT Regulations, 2022, the REIT is required to pay monitoring fee to SECP at an amount equal to 0.2% of initial REIT fund.

|   | 2023<br>----- (Rupees in '000) ----- | 2022           |
|---|--------------------------------------|----------------|
| <b>21. ACCRUED EXPENSES AND OTHER LIABILITIES</b> |                                      |                |
| Sales tax and withholding income tax              | <u>8,262</u>                         | 23,325         |
| Auditors' remuneration payable                    | <u>4,746</u>                         | 1,080          |
| Payable to project manager                        | <u>123,519</u>                       | 75,326         |
| Payable to REIT accountant                        | <u>250</u>                           | -              |
| Unit registrar's fee payable                      | <u>189</u>                           | 191            |
| Other liabilities                                 | <u>36,245</u>                        | 3,601          |
| Tax payable                                       | <u>23,644</u>                        | <u>36,277</u>  |
|   | <u>196,855</u>                       | <u>139,800</u> |

**22. CONTINGENCIES AND COMMITMENTS**

**22.1 Contingencies**

**22.1.1** 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 11. 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**22.2 Commitments**

There were no commitments outstanding as at June 30, 2023 and as at June 30, 2022.

**23. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from contracts with customers

**24. COST OF SALES**

Transfers from inventory property  
Amortisation of contract cost assets

**25. ADMINISTRATIVE AND OPERATING EXPENSES**

Formation cost

Project management fee

Fees and subscriptions

Legal and professional charges

Marketing expense

Depreciation expense

REIT accountant's fee

Auditors' remuneration

Finance cost

Bank charges

Other charges

**25.1** These represent project management fee accrued for the year ended June 30, 2023. 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% 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.

**25.2 Auditors' remuneration**

Annual audit fee  
Half yearly review of condensed interim financial statements  
Certifications and other services  
Out of pocket expenses

Sindh Sales Tax on services

Prior year adjustment

| Note | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|------|----------------------------------|--|
|      | ----- (Rupees in '000) -----     |  |

|  |                  |                  |
|--|------------------|------------------|
|  | <u>2,849,842</u> | <u>2,564,540</u> |
|--|------------------|------------------|

|     |                  |                  |
|-----|------------------|------------------|
| 6   | <u>2,400,627</u> | 2,046,237        |
| 7.1 | <u>21,696</u>    | 10,718           |
|     | <u>2,422,323</u> | <u>2,056,955</u> |

|      |                |               |
|------|----------------|---------------|
|      | -              | 1,026         |
| 25.1 | <u>62,664</u>  | 72,735        |
|      | <u>15,715</u>  | 4,528         |
|      | <u>2,294</u>   | 5,411         |
|      | <u>30,408</u>  | 1,552         |
| 4.1  | <u>231</u>     | 58            |
|      | <u>3,608</u>   | -             |
|      | <u>8,796</u>   | 1,080         |
|      | -              | 4,159         |
|      | <u>35</u>      | 7             |
|      | <u>4,206</u>   | -             |
|      | <u>127,957</u> | <u>90,556</u> |

|  | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|--|----------------------------------|--|
|  | ----- (Rupees in '000) -----     |  |

|  |              |              |
|--|--------------|--------------|
|  | <u>2,500</u> | 1,000        |
|  | <u>800</u>   | -            |
|  | <u>500</u>   | -            |
|  | <u>719</u>   | -            |
|  | <u>4,519</u> | 1,000        |
|  | <u>362</u>   | 80           |
|  | <u>3,915</u> | -            |
|  | <u>8,796</u> | <u>1,080</u> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|                              | Note | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|------------------------------|------|----------------------------------|--|
| ----- (Rupees in '000) ----- |      |                                  |  |
| 26. OTHER INCOME             |      |                                  |  |
| Profit on bank deposits      | 12.1 | 26,261                           | 7,500  |
| Scrap sales                  | 26.1 | 73,343                           | -  |
|                              |      | <u>99,604</u>                    | <u>7,500</u>                                       |

26.1 This represents sale of scrap steel bars that could not be utilized for construction of the Project. These scrap materials are part of normal loss expected to occur and hence do not indicate a NRV loss in the value of inventory property.

|                                      |  | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|--------------------------------------|--|----------------------------------|--|
| ----- (Rupees in '000) -----         |  |                                  |  |
| 27. TAXATION                         |  |                                  |  |
| Tax charge for the current year      |  | 164,141                          | 69,802   |
| Joint operator's share of tax charge |  | (26,933)                         | -  |
| Current tax expense                  |  | <u>137,208</u>                   | <u>69,802</u>                                      |

27.1 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, the total tax liability for the REIT's income from the Project arrived at Rs. 236.7 million which is to be paid on a quarterly basis until September 30, 2023. Out of Rs. 236.7 million, Rs. 135.255 million (April 1, 2022 to June 30, 2022: Rs. 67.628 million) relates to the current year and accordingly has been recognised in these financials statements.

27.2 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 management is of the view that the grey structure of the Project is not expected to be 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. The tax consultant of 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 the tax liability of the REIT under Section 100D.

|  |  | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|--|--|----------------------------------|--|
| ----- (Rupees in '000) -----                                       |  |                                  |  |
| 28. EARNINGS PER UNIT - BASIC AND DILUTED                          |  |                                  |  |
| Total earnings for the year / period                               |  | <u>271,083</u>                   | <u>342,360</u>                                     |
| ----- (Number in units) -----                                      |  |                                  |  |
| Weighted average number of ordinary units during the year / period |  | <u>140,000,000</u>               | <u>140,000,000</u>                                 |
| ----- (Rupees) -----   |  |                                  |  |
| Earnings per unit - basic and diluted                              |  | <u>1.936</u>                     | <u>2.445</u>                                       |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons and related parties include Arif Habib Dolmen REIT Management Limited being the REIT Management Company, 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, other REITs managed by the REIT Management Company and other entities under common management and / or directorship and the directors and their close family members and officers of the REIT Management Company 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 year.

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

|  | For the year ended June 30, 2023 | For the period from April 1, 2022 to June 30, 2022 |
|--|----------------------------------|--|
| ----- (Rupees in '000) -----   |                                  |  |
| 29.1 Transactions during the year / period:  |                                  |  |
| <b>Arif Habib Dolmen REIT Management Limited - (Management Company)</b>  |                                  |  |
| - Remuneration of the REIT Management Company  | 28,000                           | 6,981  |
| - Remuneration paid  | 28,390                           | -  |
| - Sindh sales tax on remuneration of the REIT Management Company   | 3,640                            | 908  |
| - Formation cost   | -                                | 1,026  |
| - Development & other expenditure  | 958                              | 2,631  |
| - Fees and subscriptions   | 150                              | 150  |
| - Short term deposit   | -                                | 100  |
| - Repayment of expenses incurred by Management Company   | 4,285                            | -  |
| <b>Central Depository Company of Pakistan Limited - (Trustee)</b>  |                                  |  |
| - Remuneration of the Central Depository Company of Pakistan Limited - Trustee   | 5,600                            | 1,396  |
| - Sindh sales tax on remuneration of the Trustee   | 728                              | 182  |
| <b>Arif Habib Development &amp; Engineering Consultants (Private) Limited - (Associate due to common directorship)</b> |                                  |  |
| - Expenses incurred on behalf of the REIT  | 5,071                            | 2,591  |
| - Project management fee charge for the year   | 62,664                           | 72,735   |
| - Project management fee paid during the year  | 16,950                           | -  |
| <b>Javedan Corporation Limited (JCL) - (Sponsor of the REIT / associate due to common directorship)</b>                |                                  |  |
| - Subscription of units  | -                                | 1,400,000  |
| - Payment for partial land consideration   | 250,000                          | 1,140,000  |
| - Adjusted for partial land consideration against receivable balance   | 200,000                          | -  |
| - Expenses incurred on behalf of the REIT  | 141,569                          | 1,131,397  |
| - Amounts received from customers on behalf of the REIT  | 14,843                           | 1,593,555  |
| - Proceeds of scrap sales received by JCL on behalf of the REIT  | 21,586                           | -  |
| - Proceeds of scrap sales received by REIT on behalf of the JCL  | 3,524                            | -  |
| - Repayment to the REIT in respect of scrap sales received by JCL  | 2,915                            | -  |
| - Payment made in respect of expenses incurred by JCL on behalf of the REIT  | 105,926                          | -  |
| - Repayment to the REIT in respect of amounts received from customers on behalf of the REIT                            | 119,431                          | 143,516  |



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|  | For the year<br>ended June<br>30, 2023 | For the period from<br>April 1, 2022 to<br>June 30, 2022 |
|--|--|--|
|  | ----- (Rupees in '000) -----           |  |
| <b>Rahat Residency REIT (RRR) -<br/>(Associate due to common directorship)</b>             |  |  |
| - Amounts received from scrap sales on behalf of the RRR                                   | 1,918                                  | -  |
| <b>Safe Mix Concrete Limited<br/>(Associate due to common directorship)</b>                |  |  |
| - Purchases of construction material   | 654,327                                | 222,378  |
| - Payments made in respect of construction material  | 696,684                                | -  |
| <b>Aisha Steel Mills Limited<br/>(Associate due to common directorship)</b>                |  |  |
| - Purchase of G.I sheets   | 43,834                                 | -  |
| - Amount paid in respect of G.I sheets   | 13,185                                 | -  |
| <b>NN Maintenance Company (Private) Limited<br/>(Associate due to common directorship)</b> |  |  |
| - Electricity charged during the year  | 16,318                                 | -  |
| - Amount paid in respect of electricity charges  | 13,163                                 | -  |
| <b>Power Cement Limited<br/>(Associate due to common directorship)</b>                     |  |  |
| - Purchases of cement bags   | 6,389                                  | -  |
| - Payments made in respect of cement bags  | 6,389                                  | -  |
| <b>Muhammad Arif Habib<br/>(Director of Management Company)</b>                            |  |  |
| - Amounts received in respect of apartments sold   | 159,504                                | -  |
| - Revenue in respect of apartments sold  | 187,732                                | -  |
| <b>Haji Abdul Ghani<br/>(Associate due to sponsor of the associated Company)</b>           |  |  |
| - Amounts received in respect of apartments sold   | 179,699                                | 38,989   |
| - Revenue in respect of apartments sold  | 187,732                                | 562,927  |
| <b>Arif Habib Limited<br/>(Associate due to common control)</b>                            |  |  |
| - Amounts received in respect of apartments sold   | 183,806                                | 8,693  |
| - Revenue in respect of apartments sold  | 44,320                                 | 103,064  |
| <b>Muhammad Kashif Habib<br/>(Close relative of a director)</b>                            |  |  |
| - Amounts received in respect of apartments sold   | 10,452                                 | 1,888  |
| - Revenue in respect of apartments sold  | 6,838                                  | 10,252   |
| <b>Abdus Samad A. Habib<br/>(Director of Management Company)</b>                           |  |  |
| - Amounts received in respect of apartments sold   | 2,749                                  | 2,890  |
| - Revenue in respect of apartments sold  | 3,070                                  | 5,194  |
| <b>Razi Haider<br/>(CFO &amp; Company Secretary of Management Company)</b>                 |  |  |
| - Amounts received in respect of apartments sold   | 2,237                                  | 2,239  |
| - Revenue in respect of apartments sold  | 2,095                                  | 3,610  |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|  | For the year<br>ended June<br>30, 2023 | For the period from<br>April 1, 2022 to<br>June 30, 2022 |
|--|--|--|
|  | ----- (Rupees in '000) -----           |  |
| <b>Alamgir A Shaikh<br/>(Director of sponsor)</b>  |  |  |
| - Amounts received in respect of apartments sold   | 2,486                                  | 653  |
| - Revenue in respect of apartments sold  | 2,095                                  | 3,568  |
| <b>29.2 Amounts outstanding as at year / period end</b>  |  |  |
| <b>Arif Habib Dolmen REIT Management Limited -<br/>(Management Company)</b>  |  |  |
| - Remuneration of the REIT Management Company payable  | 7,371                                  | 6,981  |
| - Sindh Sales Tax payable on remuneration of the REIT Management Company   | 908                                    | 908  |
| - Payable in respect of formation cost   | -                                      | 1,026  |
| - Payable in respect of development & other expenditure  | 580                                    | 2,631  |
| - Payable in respect of fees and subscriptions   | 150                                    | 150  |
| - Payable in respect of short term deposit   | -                                      | 100  |
| <b>Central Depository Company of Pakistan Limited -<br/>(Trustee)</b>  |  |  |
| - Remuneration of the Trustee payable  | 6,996                                  | 1,396  |
| - Sindh Sales Tax payable on remuneration of the Trustee   | 910                                    | 182  |
| <b>Arif Habib Development &amp; Engineering Consultants (Private) Limited -<br/>(Associate due to common directorship)</b> |  |  |
| - Payable in respect of expenses incurred on behalf of the REIT  | 5,071                                  | 2,591  |
| - Payable in respect of project management fee   | 118,449                                | 72,735   |
| <b>Javedan Corporation Limited (JCL) -<br/>(Sponsor of the REIT / associate due to common directorship)</b>                |  |  |
| - Payable in respect of expenses incurred on behalf of the REIT  | 317,603                                | 281,960  |
| - Net receivable in respect of scrap sales   | 15,147                                 | -  |
| - Receivable in respect of amounts received from customers on behalf of the REIT   | 296,014                                | 600,602  |
| - Outstanding land consideration   | 450,000                                | 700,000  |
| <b>Safe Mix Concrete Limited<br/>(Associate due to common directorship)</b>  |  |  |
| - Payable in respect of purchases of construction material   | 6,717                                  | 49,074   |
| <b>Aisha Steel Mills Limited<br/>(Associate due to common directorship)</b>  |  |  |
| - Payable in respect of G.I sheets   | 30,649                                 | -  |
| <b>NN Maintenance Company (Private) Limited<br/>(Associate due to common directorship)</b>                                 |  |  |
| - Payable in respect of electricity charges  | 3,155                                  | -  |
| <b>Rahat Residency REIT (RRR) -<br/>(Associate due to common directorship)</b>   |  |  |
| - Payable in respect of scrap sales  | 1,918                                  | -  |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|  | 2023                         | 2022        |
|--|------------------------------|-------------|
|  | ----- (Rupees in '000) ----- |             |
| <b>Muhammad Arif Habib</b><br>(Director of Management Company)<br>- Contract asset outstanding                                     | 113,334                      | -           |
| <b>Haji Abdul Ghani</b><br>(Associate due to sponsor of the associated Company)<br>- Contract asset outstanding                    | 113,334                      | 190,408     |
| <b>Razi Haider</b><br>(CFO & Company Secretary of Management Company)<br>- Contract asset outstanding                              | 1,229                        | 1,371       |
| <b>Arif Habib Limited</b><br>(Associate due to common control)<br>- Contract asset outstanding<br>- Contract liability outstanding | -<br>100,148                 | 39,338<br>- |
| <b>Muhammad Kashif Habib</b><br>(Close relative of a director)<br>- Contract asset outstanding                                     | 4,871                        | 8,485       |
| <b>Abdus Samad A. Habib</b><br>(Director of Management Company)<br>- Contract asset outstanding                                    | 2,687                        | 2,366       |
| <b>Alamgir A Shaikh</b><br>(Director of sponsor)<br>- Contract asset outstanding   | 1,229                        | 1,620       |

**30. FINANCIAL INSTRUMENTS BY CATEGORY**

|   | 2023                         |                                      |                  |
|---|------------------------------|--------------------------------------|------------------|
|   | At amortised cost            | At fair value through profit or loss | Total            |
|   | ----- (Rupees in '000) ----- |                                      |                  |
| <b>Financial assets</b>   |                              |                                      |                  |
| Contract assets   | 1,535,223                    | -                                    | 1,535,223        |
| Receivable from joint operator  | 148,540                      | -                                    | 148,540          |
| Bank balances   | 7,307                        | -                                    | 7,307            |
| Mark-up receivable on bank balances                                     | 521                          | -                                    | 521              |
|   | <u>1,691,591</u>             | <u>-</u>                             | <u>1,691,591</u> |
| <b>Financial liabilities</b>  |                              |                                      |                  |
| Long term loan  | 1,400,000                    | -                                    | 1,400,000        |
| Outstanding land consideration  | 250,000                      | -                                    | 250,000          |
| Commission payable  | 2,091                        | -                                    | 2,091            |
| Trade and other payables  | 126,789                      | -                                    | 126,789          |
| Payable to the REIT Management Company                                  | 8,101                        | -                                    | 8,101            |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 6,996                        | -                                    | 6,996            |
| Accrued expenses and other liabilities                                  | 164,949                      | -                                    | 164,949          |
| Accrued mark-up on long term loan                                       | 81,396                       | -                                    | 81,396           |
|   | <u>2,040,322</u>             | <u>-</u>                             | <u>2,040,322</u> |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|   | 2022                         |                                      |                  |
|---|------------------------------|--------------------------------------|------------------|
|   | At amortised cost            | At fair value through profit or loss | Total            |
|   | ----- (Rupees in '000) ----- |                                      |                  |
| <b>Financial assets</b>   |                              |                                      |                  |
| Contract assets   | 916,202                      | -                                    | 916,202          |
| Other receivables   | 318,642                      | -                                    | 318,642          |
| Bank balances   | 160,122                      | -                                    | 160,122          |
|   | <u>1,394,966</u>             | <u>-</u>                             | <u>1,394,966</u> |
| <b>Financial liabilities</b>  |                              |                                      |                  |
| Long term loan  | 1,400,000                    | -                                    | 1,400,000        |
| Outstanding land consideration  | 700,000                      | -                                    | 700,000          |
| Commission payable  | 524                          | -                                    | 524              |
| Trade and other payables  | 128,306                      | -                                    | 128,306          |
| Payable to the REIT Management Company                                  | 10,888                       | -                                    | 10,888           |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 1,396                        | -                                    | 1,396            |
| Accrued expenses and other liabilities                                  | 80,198                       | -                                    | 80,198           |
| Accrued mark-up on long term loan                                       | 14,487                       | -                                    | 14,487           |
|   | <u>2,335,799</u>             | <u>-</u>                             | <u>2,335,799</u> |

**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The REIT's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the REIT's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the REIT's constitutive documents, the REIT Regulations, 2022 and directives of the SECP. These limits reflect the business strategy and market environment of the REIT as well as the level of the risk that REIT is willing to accept. The Board of Directors of the REIT Management Company supervises the overall risk management approach within the REIT. The REIT is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

**31.1 Market risk**

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

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of June 30, 2023, the REIT is exposed to such risk on its balances held with banks and long term loan.

**a) Sensitivity analysis for variable rate instruments**

Presently, the REIT holds balances with banks and long term loan which expose the REIT to cash flow interest rate risk. A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) with all other variables remain constant, the total comprehensive income for the year and net assets of the REIT by the amounts shown below. The analysis is performed on the same basis for 2022.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

|                       | Total comprehensive income |                  | Net assets       |                  |
|-----------------------|----------------------------|------------------|------------------|------------------|
|                       | 100 bps increase           | 100 bps decrease | 100 bps increase | 100 bps decrease |
|                       | (Rupees in '000)           |                  |                  |                  |
| <b>June 30, 2023</b>  |                            |                  |                  |                  |
| Financial assets      | 73                         | (73)             | 73               | (73)             |
| Financial liabilities | 14,000                     | (14,000)         | 14,000           | (14,000)         |
| <b>June 30, 2022</b>  |                            |                  |                  |                  |
| Financial assets      | 1,601                      | (1,601)          | 1,601            | (1,601)          |
| Financial liabilities | 14,000                     | (14,000)         | 14,000           | (14,000)         |

### (b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the REIT does not hold any fixed rate instruments that may expose the REIT to fair value interest rate risk.

The composition of the REIT's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the REIT's net assets of the future movements in interest rates.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The REIT's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

|   | Effective interest rate | 2023                          |                                     |                  | Not exposed to interest rate risk | Total     |
|---|-------------------------|-------------------------------|-------------------------------------|------------------|-----------------------------------|-----------|
|   |                         | Exposed to interest rate risk |                                     |                  |                                   |           |
|   |                         | Up to 3 months                | More than 3 months and up to 1 year | More than 1 year |                                   |           |
|   | %                       | (Rupees in '000)              |                                     |                  |                                   |           |
| <b>Financial assets</b>   |                         |                               |                                     |                  |                                   |           |
| Contract assets   |                         | -                             | -                                   | -                | 1,535,223                         | 1,535,223 |
| Receivable from joint operator  |                         | -                             | -                                   | -                | 148,540                           | 148,540   |
| Bank balances   | 10% to 19.5%            | 7,307                         | -                                   | -                | -                                 | 7,307     |
| Mark-up receivable on bank balances                                     |                         | -                             | -                                   | -                | 521                               | 521       |
|   |                         | 7,307                         | -                                   | -                | 1,684,284                         | 1,691,591 |
| <b>Financial liabilities</b>  |                         |                               |                                     |                  |                                   |           |
| Long term loan  |                         | -                             | 1,400,000                           | -                | -                                 | 1,400,000 |
| Outstanding land consideration  |                         | -                             | -                                   | -                | 250,000                           | 250,000   |
| Commission payable  |                         | -                             | -                                   | -                | 2,091                             | 2,091     |
| Trade and other payables  |                         | -                             | -                                   | -                | 126,789                           | 126,789   |
| Payable to the REIT Management Company                                  |                         | -                             | -                                   | -                | 8,101                             | 8,101     |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |                         | -                             | -                                   | -                | 6,996                             | 6,996     |
| Accrued expenses and other liabilities                                  |                         | -                             | -                                   | -                | 164,949                           | 164,949   |
| Accrued mark-up on long term loan                                       |                         | -                             | -                                   | -                | 81,396                            | 81,396    |
|   |                         | -                             | 1,400,000                           | -                | 640,322                           | 2,040,322 |
| <b>On-balance sheet gap</b>   |                         | 7,307                         | (1,400,000)                         | -                | 1,043,962                         | (348,731) |
| <b>Total interest rate sensitivity gap</b>                              |                         | 7,307                         | (1,400,000)                         | -                |                                   |           |
| <b>Cumulative interest rate sensitivity gap</b>                         |                         | 7,307                         | (1,392,693)                         | (1,392,693)      |                                   |           |

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

|   | Effective interest rate | 2022                          |                                     |                  | Not exposed to interest rate risk | Total     |
|---|-------------------------|-------------------------------|-------------------------------------|------------------|-----------------------------------|-----------|
|   |                         | Exposed to interest rate risk |                                     |                  |                                   |           |
|   |                         | Up to 3 months                | More than 3 months and up to 1 year | More than 1 year |                                   |           |
|   | %                       | (Rupees in '000)              |                                     |                  |                                   |           |
| <b>Financial assets</b>   |                         |                               |                                     |                  |                                   |           |
| Contract assets   |                         | -                             | -                                   | -                | 916,202                           | 916,202   |
| Other receivables   |                         | -                             | -                                   | -                | 318,642                           | 318,642   |
| Bank balances   | 8.25% to 12.25%         | 160,122                       | -                                   | -                | -                                 | 160,122   |
|   |                         | 160,122                       | -                                   | -                | 1,234,844                         | 1,394,966 |
| <b>Financial liabilities</b>  |                         |                               |                                     |                  |                                   |           |
| Long term loan  |                         | -                             | 1,400,000                           | -                | -                                 | 1,400,000 |
| Outstanding land consideration  |                         | -                             | -                                   | -                | 700,000                           | 700,000   |
| Commission payable  |                         | -                             | -                                   | -                | 524                               | 524       |
| Trade and other payables  |                         | -                             | -                                   | -                | 128,306                           | 128,306   |
| Payable to the REIT Management Company                                  |                         | -                             | -                                   | -                | 10,888                            | 10,888    |
| Payable to the Central Depository Company of Pakistan Limited - Trustee |                         | -                             | -                                   | -                | 1,396                             | 1,396     |
| Accrued expenses and other liabilities                                  |                         | -                             | -                                   | -                | 80,198                            | 80,198    |
| Accrued mark-up on long term loan                                       |                         | -                             | -                                   | -                | 14,487                            | 14,487    |
|   |                         | -                             | 1,400,000                           | -                | 935,799                           | 2,335,799 |
| <b>On-balance sheet gap</b>   |                         | 160,122                       | (1,400,000)                         | -                | 299,045                           | (940,833) |
| <b>Total interest rate sensitivity gap</b>                              |                         | 160,122                       | (1,400,000)                         | -                |                                   |           |
| <b>Cumulative interest rate sensitivity gap</b>                         |                         | 160,122                       | (1,239,878)                         | (1,239,878)      |                                   |           |

### (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The REIT does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit 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 similar financial instruments traded in the market. The REIT is not exposed to price risk as at June 30, 2023.

### 31.2 Liquidity risk

Liquidity risk is the risk that the REIT may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the REIT. The REIT's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the REIT's reputation.

The table below summarises the maturity profile of the REIT's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

|   | 2023             |                                     |                                    |                                   |                   |  | Total     |
|---|------------------|-------------------------------------|------------------------------------|-----------------------------------|-------------------|--|-----------|
|   | Within 1 month   | More than 1 month and upto 3 months | More than 3 months and upto 1 year | More than 1 year and upto 5 years | More than 5 years | Financial instruments with no fixed maturity |           |
|   | (Rupees in '000) |                                     |                                    |                                   |                   |  |           |
| <b>Financial assets</b>   |                  |                                     |                                    |                                   |                   |  |           |
| Contract assets   | -                | -                                   | -                                  | -                                 | -                 | 1,535,223                                    | 1,535,223 |
| Receivable from joint operator  | -                | -                                   | -                                  | -                                 | -                 | 148,540                                      | 148,540   |
| Bank balances   | 7,307            | -                                   | -                                  | -                                 | -                 | -  | 7,307     |
| Mark-up receivable on bank balances                                     | 521              | -                                   | -                                  | -                                 | -                 | -  | 521       |
|   | 7,828            | -                                   | -                                  | -                                 | -                 | 1,683,763                                    | 1,691,591 |
| <b>Financial liabilities</b>  |                  |                                     |                                    |                                   |                   |  |           |
| Long term loan  | -                | 233,334                             | 233,333                            | 933,333                           | -                 | -  | 1,400,000 |
| Outstanding land consideration  | -                | -                                   | -                                  | -                                 | -                 | 250,000                                      | 250,000   |
| Commission payable  | 2,091            | -                                   | -                                  | -                                 | -                 | -  | 2,091     |
| Trade and other payables  | 126,789          | -                                   | -                                  | -                                 | -                 | -  | 126,789   |
| Payable to the REIT Management Company                                  | -                | 8,101                               | -                                  | -                                 | -                 | -  | 8,101     |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 6,996            | -                                   | -                                  | -                                 | -                 | -  | 6,996     |
| Accrued expenses and other liabilities                                  | 164,949          | -                                   | -                                  | -                                 | -                 | -  | 164,949   |
| Accrued mark-up on long term loan                                       | -                | 81,396                              | -                                  | -                                 | -                 | -  | 81,396    |
|   | 300,825          | 322,831                             | 233,333                            | 933,333                           | -                 | 250,000                                      | 2,040,322 |
| <b>Net financial assets / (liabilities)</b>                             | (292,997)        | (322,831)                           | (233,333)                          | (933,333)                         | -                 | 1,433,763                                    | (348,731) |

|   | 2022             |                                     |                                    |                                   |                   |  | Total     |
|---|------------------|-------------------------------------|------------------------------------|-----------------------------------|-------------------|--|-----------|
|   | Within 1 month   | More than 1 month and upto 3 months | More than 3 months and upto 1 year | More than 1 year and upto 5 years | More than 5 years | Financial instruments with no fixed maturity |           |
|   | (Rupees in '000) |                                     |                                    |                                   |                   |  |           |
| <b>Financial assets</b>   |                  |                                     |                                    |                                   |                   |  |           |
| Contract assets   | -                | -                                   | -                                  | -                                 | -                 | 916,202                                      | 916,202   |
| Other receivables   | -                | -                                   | -                                  | -                                 | -                 | 318,642                                      | 318,642   |
| Bank balances   | 160,122          | -                                   | -                                  | -                                 | -                 | -  | 160,122   |
|   | 160,122          | -                                   | -                                  | -                                 | -                 | 1,234,844                                    | 1,394,966 |
| <b>Financial liabilities</b>  |                  |                                     |                                    |                                   |                   |  |           |
| Long term loan  | -                | -                                   | -                                  | 233,334                           | 1,166,666         | -  | 1,400,000 |
| Outstanding land consideration  | -                | 200,000                             | 250,000                            | 250,000                           | -                 | -  | 700,000   |
| Commission payable  | 524              | -                                   | -                                  | -                                 | -                 | -  | 524       |
| Trade and other payables  | 128,306          | -                                   | -                                  | -                                 | -                 | -  | 128,306   |
| Payable to the REIT Management Company                                  | -                | 10,888                              | -                                  | -                                 | -                 | -  | 10,888    |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 1,396            | -                                   | -                                  | -                                 | -                 | -  | 1,396     |
| Accrued expenses and other liabilities                                  | 80,198           | -                                   | -                                  | -                                 | -                 | -  | 80,198    |
| Accrued mark-up on long term loan                                       | -                | 14,487                              | -                                  | -                                 | -                 | -  | 14,487    |
|   | 210,424          | 225,375                             | 250,000                            | 483,334                           | 1,166,666         | -  | 2,335,799 |
| <b>Net financial assets / (liabilities)</b>                             | (50,302)         | (225,375)                           | (250,000)                          | (483,334)                         | (1,166,666)       | 1,234,844                                    | (940,833) |

**31.3 Credit risk**

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The REIT attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risk arises principally from the REIT's contract assets, deposits and other receivables, receivable from joint operator, bank balances and mark-up receivable on bank balances.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

The table below analyses the REIT's maximum exposure to credit risk:

|                                     | 2023   |                                 | 2022   |                                 |
|-------------------------------------|--|---------------------------------|--|---------------------------------|
|                                     | Balance as per statement of financial Position | Maximum exposure to credit risk | Balance as per statement of financial Position | Maximum exposure to credit risk |
|                                     | (Rupees in '000)                               |                                 |  |                                 |
| <b>Financial assets</b>             |  |                                 |  |                                 |
| Contract assets                     | 1,535,223                                      | 1,535,223                       | 916,202  | 916,202                         |
| Other receivables                   | 4,664  | -                               | 318,642  | 318,642                         |
| Receivable from joint operator      | 148,540  | 148,540                         | -  | -                               |
| Bank balances                       | 7,307  | 7,307                           | 160,122  | 160,122                         |
| Mark-up receivable on bank balances | 521  | 521                             | -  | -                               |
|                                     | <u>1,696,255</u>                               | <u>1,691,591</u>                | <u>1,394,966</u>                               | <u>1,394,966</u>                |

The REIT Management Company and the Project Manager monitor customers' overdue balances on an ongoing basis. Credit evaluations are performed by the development advisor before sale agreements are entered into with clients.

The REIT has placed its funds with banks having sound credit ratings. The credit quality of REIT's major balances can be assessed with reference of external credit ratings as follows:

|                                     | Rating Agency    | Short term rating | Long term rating | % of financial assets |              |
|-------------------------------------|------------------|-------------------|------------------|-----------------------|--------------|
|                                     |                  |                   |                  | 2023                  | 2022         |
|                                     | (Rupees in '000) |                   |                  |                       |              |
| <b>Bank balances</b>                |                  |                   |                  |                       |              |
| Bank Alfalah Limited                | PACRA            | A-1+              | AA+              | 0.14%                 | 9.44%        |
| Meezan Bank Limited                 | VIS              | A-1+              | AAA              | 0.14%                 | 0.00%        |
| Dubai Islamic Bank Pakistan Limited | VIS              | A-1+              | AA               | -                     | -            |
| Askari Bank Limited                 | PACRA            | A-1+              | AA+              | 0.04%                 | -            |
|                                     |                  |                   |                  | <u>0.11%</u>          | <u>-</u>     |
|                                     |                  |                   |                  | <u>0.43%</u>          | <u>9.44%</u> |

**32. CAPITAL RISK MANAGEMENT**

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

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

|                          | 2023             | 2022             |
|--------------------------|------------------|------------------|
|                          | (Rupees in '000) |                  |
| Debt                     | 1,400,000        | 1,400,000        |
| Total unit holders' fund | 1,855,490        | 1,584,407        |
| Total capital            | <u>3,255,490</u> | <u>2,984,407</u> |
| Gearing ratio            | <u>43%</u>       | <u>47%</u>       |



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

**33 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

**33.1 Accounting classifications and fair values of financial instruments**

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

| 2023   |  |   |       |            |         |         |       |
|--|--|---|-------|------------|---------|---------|-------|
| 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**

|                                     |   |   |           |           |
|-------------------------------------|---|---|-----------|-----------|
| Contract assets                     | - | - | 1,535,223 | 1,535,223 |
| Receivable from joint operator      | - | - | 148,540   | 148,540   |
| Bank balances                       | - | - | 7,307     | 7,307     |
| Mark-up receivable on bank balances | - | - | 521       | 521       |
|                                     | - | - | 1,691,591 | 1,691,591 |

**Financial liabilities - not measured at fair value**

|   |   |   |           |           |
|---|---|---|-----------|-----------|
| Long term loan  | - | - | 1,400,000 | 1,400,000 |
| Outstanding land consideration  | - | - | 250,000   | 250,000   |
| Commission payable  | - | - | 2,091     | 2,091     |
| Trade and other payables  | - | - | 126,789   | 126,789   |
| Payable to the REIT Management Company                                  | - | - | 8,101     | 8,101     |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | - | 6,996     | 6,996     |
| Accrued expenses and other liabilities                                  | - | - | 164,949   | 164,949   |
| Accrued mark-up on long term loan                                       | - | - | 81,396    | 81,396    |
|   | - | - | 2,040,322 | 2,040,322 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2023

| 2022   |  |   |       |            |         |         |       |
|--|--|---|-------|------------|---------|---------|-------|
| 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 |

**Financial assets - not measured at fair value**

|                   |   |   |           |           |  |  |  |
|-------------------|---|---|-----------|-----------|--|--|--|
| (Rupees in '000)  |   |   |           |           |  |  |  |
| Contract assets   | - | - | 916,202   | 916,202   |  |  |  |
| Other receivables | - | - | 318,642   | 318,642   |  |  |  |
| Bank balances     | - | - | 160,122   | 160,122   |  |  |  |
|                   | - | - | 1,394,966 | 1,394,966 |  |  |  |

**Financial liabilities - not measured at fair value**

|   |   |   |           |           |
|---|---|---|-----------|-----------|
| Long term loan  | - | - | 1,400,000 | 1,400,000 |
| Outstanding land consideration  | - | - | 700,000   | 700,000   |
| Commission payable  | - | - | 524       | 524       |
| Trade and other payables  | - | - | 128,306   | 128,306   |
| Payable to the REIT Management Company                                  | - | - | 10,888    | 10,888    |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | - | - | 1,396     | 1,396     |
| Accrued expenses and other liabilities                                  | - | - | 80,198    | 80,198    |
| Accrued mark-up on long term loan                                       | - | - | 14,487    | 14,487    |
|   | - | - | 2,335,799 | 2,335,799 |

**34. INTEREST IN JOINT ARRANGEMENTS**

**34.1** During the year, the REIT and Meezan Bank Limited (the Bank) have 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. 3,618.652 million. As per the framework agreement, both the REIT and the Bank (collectively referred as 'the Partners') have agreed to 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 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.

**34.2** 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 (Musharakah 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 during the current year. Moreover, the costs 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 is liable to make a 50 percent contribution to the cost of the project. Therefore, 50 percent of the carrying amount of the grey structure was disposed of by the REIT to the Bank at the carrying amount of Rs. 228.226 million.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

During the year, the Bank has contributed a total sum of Rs. 888.725 million which includes the consideration of Rs. 485.270 million for its share of land as mentioned above. All expenses incurred till September 26, 2022 have been adjusted from the carrying amount of the Musharakah Asset. Any amount left is to be adjusted from future development expenditures.

Moreover, as disclosed in note 26, 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 to date (from the start of the Project) for the Musharakah Asset amounted to Rs. 53.866 million. Accordingly, the Bank's share of tax amounted to Rs. 26.933 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.

**Musharaka Asset - September 26, 2022** (Rupees in '000)

|  |           |
|--|-----------|
| Land (including land transfer duties and taxes)                      | 865,154   |
| Development expenditures (including construction materials utilized) | 456,452   |
| Carrying amount as at agreement date                                 | 1,321,606 |

| June 30, 2023   |                |
|---|----------------|
| Globe<br>Residency<br>REIT                            | Meezan<br>Bank |
| ----- (Rupees in '000) -----                          |                |
| <b>Attribution of cost before joint operation:</b>    |                |
| Musharaka Asset as at agreement date                  | 1,321,606      |
| Less: Bank's share of Musharaka Asset                 | (660,803)      |
|   | 660,803        |
| Development expenditures subsequent to agreement date | 296,836        |
| Carrying amount as at reporting date                  | 957,639        |
| Bank's share of cumulative tax charge                 | 26,933         |
| Gain on disposal under Musharaka arrangement          | 52,693         |
| Less: amount received from the Bank                   | (888,725)      |
| Receivable from the Bank                              | 148,540        |

**35. CORRESPONDING FIGURES**

The REIT Regulations, 2015 has been repealed after the enactment of the REIT Regulations, 2022. The disclosure requirements contained under Section 29 (2) of the repealed REIT Regulations, 2015 have been removed under the promulgated REIT Regulations, 2022. Accordingly, the disclosure requirements of IAS 24 'Related Party Disclosures' have been followed in the current year and corresponding figures for certain related party transactions have been rearranged and reclassified, under note 29.

**36. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the REIT Management Company on September 15, 2023.



Chief Financial Officer



Chief Executive Officer



Director





|                       |       |             |
|-----------------------|-------|-------------|
| مضاربہ اور میوچل فنڈز | -     | -           |
| عام عوام              |       |             |
| - مقامی               | 23.75 | 33,256,971  |
| - غیر ملکی            | 0.10  | 143,690     |
| دیگر                  | 4.50  | 6,285,026   |
| کل                    | 100   | 140,000,000 |

#### مالیاتی اور کاروباری جھلکیاں:

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

#### آڈٹ کمیٹی:

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

#### آڈیٹرز:

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

#### ڈائریکٹران کے انتخابات:

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

#### میزانے کے بعد کے واقعات:

30 جون 2023 سے لے کر اس رپورٹ کی تاریخ تک کوئی اہم تبدیلیاں رونما نہیں ہوئیں سوائے حتمی منافع منقسمہ کے اعلان کے جسے 3.00 روپے فی یونٹ یعنی 30 فیصد کے حساب سے تقسیم کیا گیا تھا۔ اس کے اثرات کی عکاسی اگلے سال کے مالیاتی گوشواروں میں ہوگی۔

#### ملحقہ پارٹیوں کے سودے:

REIT کے ضوابط اور ادارتی نظم و ضبط کی ضروریات کی پاسداری کرتے ہوئے GRR نے ملحقہ پارٹیوں کیس اتھ تمام سودے آڈٹ کمیٹی اور بورڈ کے جائزہ کے لئے ان کے روبرو پیش کئے۔ ان سودوں کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اپنے متعلقہ اجلاسوں میں منظور کیا۔ ملحقہ پارٹیوں کے ساتھ سودوں کو آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 29 میں منکشف کیا گیا ہے۔

#### اعتراف:

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

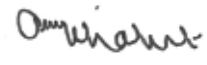
برائے و منجانب



محمد اعجاز

چیف ایگزیکٹو

15 ستمبر 2023، کراچی۔



عارف حبیب

چیئرمین

میں بطور ایگزیکٹو ڈائریکٹر ان کام کر رہے ہیں، انہیں بورڈ اور کمیٹی کے اجلاس میں حاضر ہونے کا معاوضہ دیا جاتا ہے جو بورڈ وقتاً فوقتاً منظور کرتا ہے۔

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

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

بورڈ کی تشکیل بندی:

بورڈ کی موجودہ تشکیل بندی درج ذیل ہیں:

(a) مرد 8

(b) خواتین 1

تشکیل بندی:

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

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب نعیم الیاس چیئر مین

جناب نعمان اختر ممبر

جناب صدائے حبیب ممبر

جناب ساجد اللہ شیخ ممبر

انسانی وسائل اور معاوضہ کمیٹی:

محترمہ طیبہ رشید چیئر پرسن

جناب عبدالصمد اے حبیب ممبر

جناب ساجد اللہ شیخ ممبر

جناب محمد اعجاز ممبر

یونٹ ہولڈنگ کی ساخت:

GRR کے یونٹس پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔ 30 جون 2023 کو GRR کے 1,444 یونٹ ہولڈرز تھے۔ یونٹ ہولڈنگ کی تفصیلی ساخت اور GRR کی یونٹ ہولڈنگ کی اقسام بشمول ڈائریکٹر ان اور ایگزیکٹو اگر کوئی ہوں تو بطور منسلک II شامل کی گئی ہیں۔

| یونٹ ہولڈرز کی اقسام                           | یونٹوں کی تعداد | %     |
|--|-----------------|-------|
| ڈائریکٹر ان اور ان کی شریک حیات اور نابالغ بچے | 190,214         | 0.14  |
| ملحقہ کمپنیاں، اقرار نامے اور ملحقہ پارٹیاں    | 100,043,083     | 71.46 |
| ایگزیکٹو                                       | 6,836           | -     |
| ICP اور NIT                                    | -               | -     |
| بینک، DFIs، NBFCs                              | -               | -     |
| انشورنس کمپنیاں                                | 74,180          | 0.05  |



ریٹیل اسٹیٹ کا شعبہ ایک بڑا روزگار پیدا کرنے والا شعبہ ہے جو کہ زراعت کے بعد دوسرے نمبر پر ہے۔ حکومت کی ترغیبات کے جواب میں، بہت سے منصوبے کامیابی کی مختلف سطحوں کے ساتھ شروع کیے گئے۔ ان منصوبوں کا مقصد شعبہ اور عمومی اقتصادی ترقی کو فروغ دینا تھا۔

لہذا، منصوبوں کی کامیاب تکمیل کو یقینی بنانے کے لیے حکومت کے ترغیبی فریم ورک کے تحت فراہم کردہ ٹائم لائنز کو احتیاط سے بڑھانا بہت ضروری ہے۔ اس کامیابی سے توقع ہے کہ اس خطے میں اقتصادی بحالی اور خوشحالی میں مدد ملے گی۔

ہمیں یقین ہے کہ ہماری تنظیمی طاقت، ہماری انتظامی صلاحیتیں اور ہمارے کسٹمرز کی صلاحیت ہمیں ان مشکل وقتوں میں اپنے حریفوں سے ممتاز کرے گی۔ ہمیں یقین ہے کہ ہم اپنے کاروباری منصوبے کو مخصوص لاگت، معیار اور ٹائم لائن کے پیرامیٹرز کے مطابق عمل میں لانے کے قابل ہو جائیں گے۔ ہم اپنے ترقیاتی REIT کے طویل مدتی مستقبل کے بارے میں مثبت نقطہ نظر رکھتے ہیں۔ ہمیں یقین ہے کہ یہ ہر طوفان کا مقابلہ کرتے ہوئے ترقی کی جانب گامزن رہے گا۔

#### ادارتی نظم و ضبط:

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

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

ضابطہ کی پاسداری کے تحت بورڈ اس بات کا اعادہ کرتا ہے کہ GRR کے چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے اور ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں ہوا۔ انتظامیہ کی یہ کوشش ہے کہ بہتر ادارتی نظم و ضبط کے بہترین طور طریقوں اور منصفانہ اور شفاف طرز عمل کے ذریعے بہترین کارکردگی کا مظاہرہ کیا جائے۔

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

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

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

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

| نمبر شمار | ڈائریکٹر کا نام      | بورڈ کے اجلاس | آڈٹ کمیٹی | انسانی وسائل اور معاوضہ کمیٹی |
|-----------|----------------------|---------------|-----------|-------------------------------|
| 1         | جناب عارف حبیب       | 8             | -         | -                             |
| 2         | جناب ندیم ریاض       | 3             | -         | -                             |
| 3         | جناب نعیم الیاس      | 8             | 6         | -                             |
| 4         | محترمہ طیبہ رشید     | 8             | -         | 1                             |
| 5         | جناب محمد نعمان اختر | 8             | 6         | -                             |
| 6         | جناب صدائے حبیب      | 6             | 4         | 1                             |
| 7         | جناب فیصل ندیم       | 4             | -         | -                             |
| 8         | جناب ساجد اللہ شیخ   | 6             | 6         | 1                             |
| 9         | جناب محمد اعجاز      | 7             | -         | 1                             |

#### ڈائریکٹران کا معاوضہ:

RMC کے نان ایگزیکٹو ڈائریکٹران (بشمول آزاد ڈائریکٹران) سوائے ان ڈائریکٹران کے جو عارف حبیب گروپ کی دیگر کمپنیوں

مضبوط فوخت، ریونیو جزیشن، اور مستقل قسطوں کی وصولی کی شرحوں کے ساتھ مالی اور آپریشنل کارکردگی دونوں بہتر کارکردگی پیش کر رہی ہیں۔ مزید برآں، تعمیراتی سنگ میل ہمارے کاروباری منصوبے کے مطابق رہتے ہیں، جو منصوبے کی کامیاب تکمیل کو یقینی بناتے ہیں۔

1,344 پارٹنمنٹ یونٹس کی کل انویسٹری میں سے 779 یونٹس فروخت ہو چکے ہیں۔ ان میں سے رواں سال میں 155 پارٹنمنٹس فروخت ہوئے۔ ان فروخت سے حاصل ہونے والی کل آمدنی 11.879 بلین روپے ہے، اس رقم میں سے 2.722 بلین روپے موجودہ سال میں حاصل کی گئی۔ پارٹنمنٹ کی قیمتوں میں اضافے کی وجہ مضبوط مانگ ہے، اور یہ بڑھتے ہوئے تعمیراتی اخراجات کو مؤثر طریقے سے پورا کرتا ہے، جس سے پروجیکٹ کی مجموعی مالی کامیابی میں مدد ملتی ہے۔

اقتسام کی وصولی کی شرح تقریباً 90 فیصد زیادہ ہے، جو کہ اس منصوبے کے مالی استحکام کے لیے ایک مثبت علامت ہے۔

پراجیکٹ کی ٹائم لائنز کو پورا کرنے اور مطلوبہ معیار کو برقرار رکھنے کے لیے تعمیراتی نظام الاوقات پر عمل کرنا بہت ضروری ہے۔ اپنے کاروباری منصوبے کے بعد، اس بات کو یقینی بناتے ہوئے کہ ہم اپنے پروجیکٹ کے اہداف کو حاصل کرنے کے لیے ٹریک پر رہیں، ہم نے تقریباً 45.84 فیصد تعمیراتی کام مکمل کر لیا ہے۔

مستعدی کے ساتھ پراجیکٹ کی نگرانی اور اس کا نظم و نسق جاری رکھنا، اسے جاری رکھنے اور اس کے مطلوبہ مقاصد کو حاصل کرنے کے لیے بہت ضروری ہے۔

### کاروباری ماحول:

پاکستان میں ریئل اسٹیٹ کا کاروبار اس وقت معاشی، سیاسی اور سماجی منظر نامے میں ڈرامائی تبدیلیوں کی وجہ سے نمایاں تبدیلی کا سامنا کر رہا ہے۔ ان تبدیلیوں کا صنعت اور اس کے کام کرنے کے طریقے پر کافی اثر پڑ رہا ہے۔ اہم عوامل جیسے مالیاتی ایڈجسٹمنٹ اور IMF پروگرام کے تحت سبسڈی کا خاتمہ، افراط زر کی شرح 11.9 فیصد سے 29.2 فیصد تک بڑھنا اور غیر مستحکم سیاسی صورتحال نے مارکیٹ میں غیر یقینی صورتحال پیدا کر دی ہے۔ افراط زر نے خاص طور پر خوراک، ایندھن اور بجلی کی قیمتوں کو متاثر کیا ہے۔

امریکی ڈالر کی قدر نے ریئل اسٹیٹ کی سرمایہ کاری میں ہونے والے فوائد کا مقابلہ کیا ہے، جس کے نتیجے میں لین دین کے حجم میں خاص طور پر مسابقتی مارکیٹ میں کمی واقع ہوئی ہے۔ اگرچہ حال ہی میں امریکی ڈالر کی قیمتوں میں کچھ تصحیح ہوئی ہے، مارکیٹ نے اس پر

پوری طرح سے ردعمل ظاہر نہیں کیا ہے، اور اسے عام طور پر ایک عارضی ایڈجسٹمنٹ کے طور پر سمجھا جاتا ہے۔

شرح مبادلہ کے استحکام کے ساتھ، ہم مارکیٹ میں ایک دلکش انٹری پوائنٹ کی تلاش میں بیرون ملک مقیم سرمایہ کاروں سے بڑھتی ہوئی دلچسپی کی توقع کرتے ہیں۔

جب کہ تعمیراتی منصوبوں میں تیزی آئی ہے، لاگت میں تیزی سے اضافہ ہوا ہے اور ڈویلپر نامعلوم لاگت کی وجہ سے اپنے منصوبوں کی قیمتوں کے بارے میں غیر یقینی صورتحال سے دوچار ہیں۔

موجودہ مارکیٹ بنیادی طور پر ضرورت کے تحت ہونے والی خریداریوں سے متاثر ہو رہی ہے، خاص طور پر رہائشی شعبے میں۔ شہری کاری، ملک کی بڑھتی ہوئی آبادی، اور وسعت پذیر متوسط طبقے جیسے عوامل ریئل اسٹیٹ مارکیٹ کے لیے مضبوط محرک ہیں۔

مارکیٹ متوسط آمدنی والے ہاؤسنگ جیسے شعبوں میں بحالی کے آثار دکھا رہی ہے۔ ہم توقع کرتے ہیں کہ یہ رجحان دوسرے طبقات تک بھی پھیلے گا اور عام انتخابات ایک اہم موڑ ثابت ہوں گے۔

### کاروباری خطرات کا اختصار یہ:

ریئل اسٹیٹ مارکیٹ گزشتہ سال سے اتار چڑھاؤ کا شکار رہی ہے جس میں افراط زر اور تعمیراتی اخراجات میں اضافہ ایک بڑا چیلنج ہے۔ جدید طرز کیلئے GRR کی ثابت قدمی، غیر معمولی معیار کی فراہمی کے لیے غیر متزلزل لگن، اور کسٹمر کو تجربات فراہم کرنے کیلئے پُر عزم توجہ نہ صرف ان چیلنجز کا مؤثر طریقے سے انتظام کرنے کی اجازت دیتی ہے بلکہ اسے ترقی اور تفریق کے مواقع کے طور پر فائدہ اٹھانے کے قابل بھی بناتی ہے۔

بدلتے ہوئے کاروباری احوال میں، ہمارا اعتماد برقرار ہے کہ چیلنجز کا مقابلہ کرنے اور موافقت کرنے کی منصوبہ کی صلاحیت کامیابی اور جدت کا باعث بنے گی۔

### مستقبل کی پیش بینی:

پاکستان کی معیشت اقتصادی تبدیلی کے دور سے گزر رہی ہے اور ریئل اسٹیٹ ڈویلپمنٹ سیکٹر معاشی سست روی کا شکار ہے، کیونکہ یہ سرمائے پر بہت زیادہ انحصار کرتا ہے اور مالی امداد تک رسائی کا فقدان ہے۔



عارف حبیب ڈالین REIT مینجمنٹ لمیٹڈ (RMC) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم تختہ مالیاتی سال 30 جون 2023 کیلئے گلوب ریڈیڈی REIT ("GRR" یا "اسکیم") کی ڈائریکٹرز کی جائزہ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

**جائزہ:**

گلوب ریڈیڈی REIT ایک جدید تعمیراتی REIT اسکیم ہے جس کا ایک منفرد مقصد گلوب ریڈیڈیڈی اپارٹمنٹس کی تعمیر اور فروخت ہے۔ ایک رہائشی کمپلیکس جو 1,344 اپارٹمنٹس پر مشتمل ہے اور FL سائٹ پر 9 ٹاورز میں تقسیم کیا گیا ہے جس کا کل رقبہ 40,500 مربع گز ہے۔ یہ کمپلیکس نیا ناظم آباد کے اندر واقع ہے اور کراچی کے سب سے بڑے گیٹڈ رہائشی منصوبوں میں سے ایک ہے۔

گلوب ریڈیڈی REIT پہلی تعمیراتی REIT اسکیم ہے، جس کا اندراج پاکستان اسٹاک ایکسچینج (PSX) میں 28 دسمبر 2022ء کو کیا گیا۔

گلوب ریڈیڈیڈی کے ریئل اسٹیٹ اثاثہ جات کی تعمیر اور انتظام میں ایک اہم حصہ میزان بینک لمیٹڈ کے ساتھ ایک اسٹراٹیجک مشارکہ معاہدہ ہے۔ اس معاہدے کے اہم نکات درج ذیل ہیں:

**شراکت داری کی نوعیت:** یہ معاہدہ گلوب ریڈیڈیڈی REIT اور میزان بینک لمیٹڈ کے درمیان مشارکہ شراکت داری قائم کرتا ہے۔ مشارکہ ایک اسلامی مالیاتی اور شراکت داری کا انتظام ہے جس میں فریقین اپنے وسائل کو یکجا کرتے ہیں اور نفع و نقصان کو پہلے سے طے شدہ تناسب کے مطابق تقسیم کرتے ہیں۔

**قابل توجہ اثاثہ جات:** شراکت داری کا تعلق خاص طور پر گلوب ریڈیڈیڈی REIT کے زیر ملکیت نو میں سے تین ٹاورز سے ہے، جو مشارکہ کے انتظامات میں ریئل اسٹیٹ اثاثہ جات کے طور پر شامل ہیں۔

**نفع و نقصان کا اشتراک:** دونوں فریقین نے 50/50 کی بنیاد پر نفع و نقصان کے اشتراک پر متفق ہیں۔ اس کا مطلب یہ ہے کہ مخصوص ٹاورز سے حاصل ہونے والے کسی بھی منافع کو گلوب ریڈیڈیڈی REIT اور میزان بینک لمیٹڈ کے درمیان مساوی طور پر تقسیم کیا جائے گا۔ اس کے برعکس، ہونے والے نقصانات کو بھی یکساں طور پر تقسیم کیا جائے گا۔

تعمیرات اور فروخت میں تیزی: یہ معاہدہ تعمیراتی عمل کو تیز کرنے اور مخصوص ٹاورز کی فروخت میں سہولت فراہم کرنے کے لیے تیار کیا گیا ہے۔ میزان بینک لمیٹڈ ان ٹاورز کی تیزی سے تکمیل میں مدد کے لیے مالی یا دیگر اقسام کی مدد فراہم کرے گا۔

آپریٹنل ایکسی لینس اور مارکیٹ لیڈرشپ: گلوب ریڈیڈیڈی REIT اس اسٹراٹیجک تعاون کے ذریعے آپریٹنل ایکسی لینس اور مارکیٹ لیڈرشپ کے لیے اپنے عزم کو اجاگر کرتا ہے۔ میزان بینک لمیٹڈ جیسے معروف بینک کے ساتھ شراکت داری کے ذریعے، گلوب ریڈیڈیڈی کا مقصد بینک کی مہارت اور وسائل سے فائدہ اٹھانا ہے تاکہ اس کے ریئل اسٹیٹ آپریٹرز اور مارکیٹ کی پوزیشن کو بہتر بنایا جاسکے۔

مختصر یہ کہ گلوب ریڈیڈیڈی REIT اور میزان بینک لمیٹڈ کے درمیان مشارکہ معاہدہ، گلوب ریڈیڈیڈی کے ریئل اسٹیٹ اثاثوں کے ایک حصے کے انتظام اور منافع کو بڑھانے کی جانب ایک اہم قدم کی نشاندہی کرتا ہے۔ یہ معاہدہ اس اسٹراٹیجک شراکت کے ذریعے بہتر عملی کارکردگی کے حصول اور مارکیٹ میں ایک اہم پوزیشن کو برقرار رکھنے کے لیے ہماری لگن کو اجاگر کرتا ہے۔

**مالیاتی اور عملی کارکردگی:**

مختتمہ مالی سال 30 جون 2023 کیلئے GRR کی مالی کارکردگی کا خلاصہ درج ذیل ہے:

| مختتمہ سال 30 جون 2023 کیلئے |  |
|------------------------------|--|
| 2,849,842                    | کسٹمرز کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی |
| (2,422,323)                  | فروخت کی لاگت                                  |
| (127,957)                    | انتظامی اور آپریٹنگ اخراجات                    |
| 299,562                      | خالص آپریٹنگ آمدنی                             |
| 52,693                       | مشارکہ انتظامات کے تحت ڈسپوزل پر حاصل منافع    |
| 271,083                      | قبل از ٹیکس منافع                              |
| 1.936                        | فی یونٹ آمدنی۔ بنیادی اور رقیق (روپے)          |