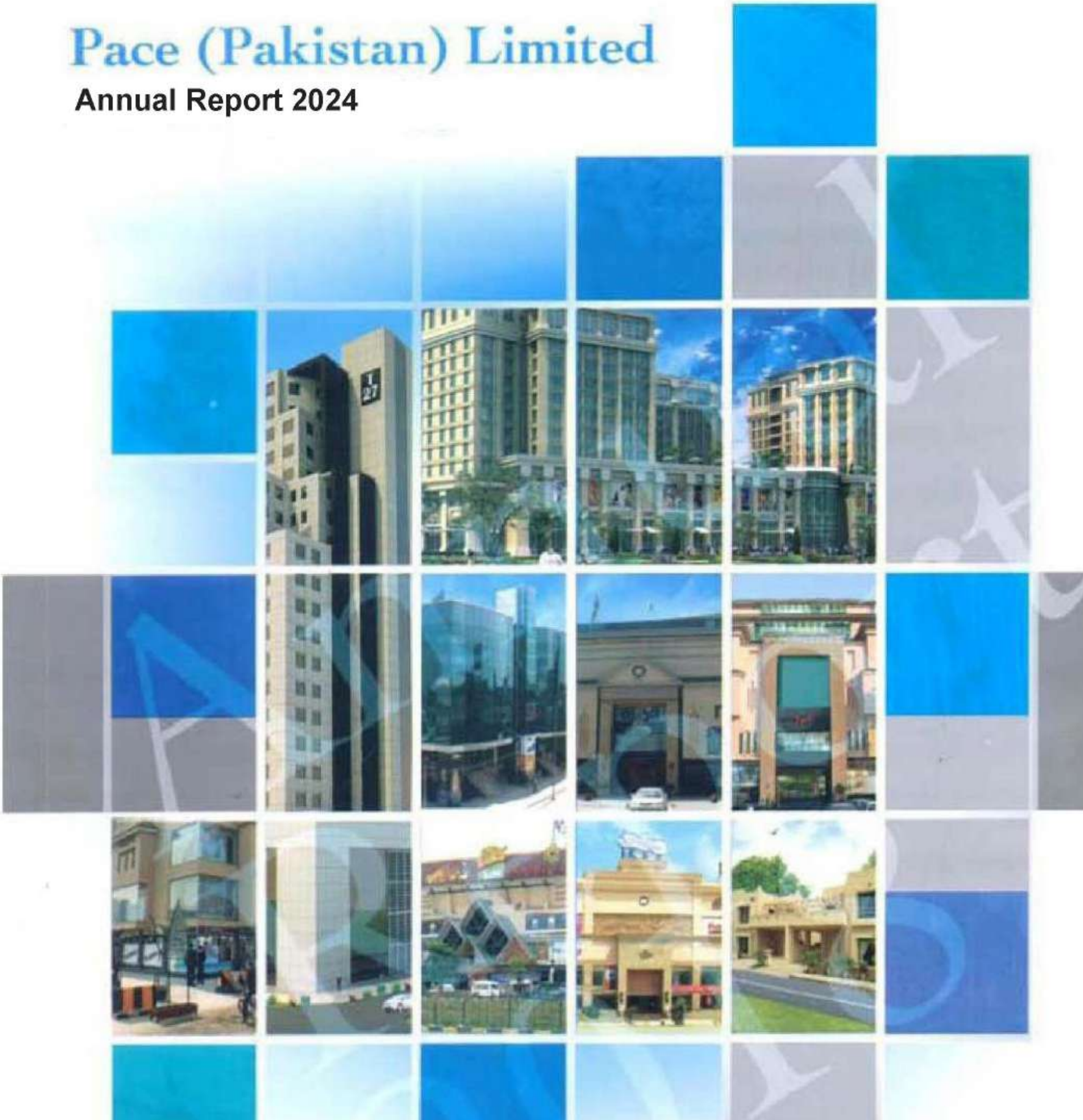
Pace (Pakistan) Limited

Annual Report 2024



PACE

Building the Future
Building Pakistan

VISION

Our vision is to build a future wherein the Pace Group is a household name across the country and is known worldwide for development and marketing of a fine living as well as shopping environment with heights quality unmatched value-for-money.

OUR PRINCIPLES

We are a Real Estate Development Company committed to achieving the highest industry standards and personal integrity in dealing with our customers, clients, professionals, employees, and the communities we work in.

MISSION STATEMENT

Formed in 1992, Pace Pakistan's principal mandate is to acquire, develop, sale and manage real estate assets located in major urban environments where real estate demands have increased sharply due to lifestyle changes.

This increased demand together with the real estate expertise from Pace defines the vision and the road map for the Company's future. Pace has and will continue to pursue residential, commercial and mixed-use transactions based on these principles with always an eye on strong community relations and integrity.

Pace (Pakistan) Limited

Company Information

Board of Directors

Sikander Rashid Choudry (Chairman)	Independent
Aamna Taseer (CEO)	Executive
Shehryar Ali Taseer	Executive
Shahbaz Ali Taseer	Executive
Shehrbano Taseer	Non-Executive
Umair Fakhar Alam	Non-Executive
Shavez Ahmad	Independent

Chief Financial Officer	Muhammad Waheed Asghar
Audit Committee	Shavez Ahmad (Chairman) Shehrbano Taseer (Member) Sikander Rashid Choudry (Member)
Human Resource and Remuneration (HR&R) Committee	Shavez Ahmad (Chairman) Aamna Taseer (Member) Shehrbano Taseer (Member)
Risk Management Committee	Umair Fakhar Alam (Chairman) Aamna Taseer (Member) Shehryar Ali Taseer (Member)
Company Secretary	Sajjad Ahmad
Auditors	M/s Junaidy Shoaib Asad, Chartered Accountants
Legal Advisers	M/s. Ibrahim and Ibrahim Barristers and Corporate Consultants Lahore
Bankers	Allied Bank Limited Albaraka Bank (Pakistan) Limited Faysal Bank Limited MCB Bank Limited Silkbank Limited
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town, Lahore Tele: + 92-42-5839182
Registered Office	First Capital House 96-B/1, Lower Ground Floor M.M. Alam Road, Gulberg-III Lahore, Pakistan Tele: + 92-42-35778217-18

REGISTERED OFFICE:
FIRST CAPITAL HOUSE
96-B/1, Lower Ground Floor,
M.M. Alam Road, Gulberg-III, Lahore.
Tel: +92-42-35778217-8

PACE (PAKISTAN) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 33rd Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") will be held on Monday, 28 October 2024 at 11:00 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 28 October 2023;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2024 together with the Chairman's Review, Directors' Report and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2025 and to fix their remuneration;

By order of the Board

Sajjad Ahmad
Company Secretary

Lahore:
07 October 2024

Notes:-

1) In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the annual report including the financial statements of the Company for the year ended June 30, 2024 can be viewed using the following link and QR enabled code:

   a. Weblink: http://pacepakistan.com/Pacepakistan/finance_pace.html
   b. QR Enabled Code:

   c. The annual report for the year ended June 30, 2024 is also available on website of the Company i.e www.pacepakistan.com

2) The Members Register will remain closed from 21 October 2024 to 28 October 2024 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2024 will be treated in time for the purpose of Annual General Meeting.

3) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.

4) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore, not less than 48 hours before the time of the meeting.

5) Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of agenda item classified as Special Business subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or E-Voting, in accordance with the requirements and procedure contained in the aforesaid Regulations.

6) Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.

The demand for video-link facility shall be received by the Share Registrar of the Company or directly to the Company at the email address given herein blow at least 7 (seven) days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: www.pacepakistan.com

Further, in compliance with Circular 04, of 2021 dated 15.02.2021, the shareholders of the Company can opt to attend the meeting through Video/Webex/Zoom or other electronic means. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2024 and who are interested to attend meeting through Video Link/Zoom are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 48 hours before the meeting;

Email: sajjadahmad@pacepakistan.com, jawahar@pacepakistan.com,
WhatsApp Number 0303-4444800, 0302-8440935

Shareholders are requested to fill the particulars as per the blow table:

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	No. of Shares held	Cell No.	Email address

Upon receipt of the above information from interested shareholders, the Company will send the login details / password at their email addresses. On the meeting day, shareholders will be able to login and participate in the meeting proceedings through their smartphones or computer devices from any convenient location.

The members can also send their comments/suggestions related to the agenda items of the meeting on the above mentioned email and Whats App number. The login facility will be opened 10 minutes before the meeting time to enable the participants to join the meeting.

7) Address of Independent Share Registrar of the Company: Name: **Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, (042) 35839182**

8) The Notice of Annual General Meeting has been placed on the Company's website: www.pacepakistan.com

9) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.

b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

10) The Company Circulate Annual Audited Accounts through CD/DVD and Email (in case email address has been provided). Further, the Company shall send the complete hard copy in case request has been made to the Company by a member;

11) Members are requested to notify any change in their registered address immediately;

Disclosure under Regulation 4 (2) of Chapter II of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The decision to make investment under an authority of Special resolution for additional equity investment(s) in the Share Capital of Pace Barka Properties Limited ("Pace Barka") passed in last Annual General Meeting held on 28 October 2023 has been implemented, the following is the explanation on status of decision:

Total Investment Approved	Additional Equity Investment up to the extent of 1,750 million (Rupees one thousand seven hundred fifty million only)		
Amount of investment made to date	Pak rupees 1,747,426,310/- divided into 174,742,631 number of ordinary shares of Rs. 10.00/each		
Reasons for deviation from the approved time line of investment, where investment decision was to be implemented in specific time	Not applicable		
Material change in financial statements of associated company since the date of resolution passed for approval of investment	**Financial Year Ended**	**2023**	**2024**
		(PKR in MN)	
	Share Capital & Reserves	5,083.96	6227.01
	Non-Current Liabilities	1,143.72	808.13
	Current Liabilities	1,016.57	1,221.32
	Non-Current Assets	5,197.63	5,495.68
	Current Assets	2,046.61	2,488.29
	Net Loss	295.06	600.31

پیس (پاکستان) لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ پیس (پاکستان) لمیٹڈ (''کمپنی'' یا ''پیس'') کے شیئر ہولڈرز کا تینتیسواں (33واں) سالانہ اجلاس عام مؤرخہ 28 اکتوبر 2024ء بروز پیر دن 11:00 بجے کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B-1، ایم ایم عالم روڈ، گلبرگ III، لاہور میں مندرجہ ذیل امور پر کارروائی کے لئے منعقد ہوگا:

عمومی امور

1. 28 اکتوبر 2023ء کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ چیئرمین کا تجزیہ، ڈائریکٹرز رپورٹ اور آڈیٹرز رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
3. 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کی تقرری کرنا اور ان کا معاوضہ طے کرنا۔

بحکم بورڈ

سجاد احمد

کمپنی سیکریٹری

لاہور:

07 اکتوبر 2024ء

مندرجات:

1) کمپنیز ایکٹ 2017ء کے سیکشن 223 اور S.R.O. نمبر 389(I)/2023 مؤرخہ 21 مارچ، 2023ء کی پیروی میں 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کی سالانہ رپورٹ بمعہ مالیاتی اسٹیٹمنٹس مندرجہ ذیل لنک اور QR کوڈ کے ذریعے ملاحظہ کی جاسکتی ہیں:

a. ویب لنک http://pacepakistan.com/Pacepakistan/finance_pace.html

b. QR کوڈ

c. 30 جون 2024ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ کمپنی کی ویب سائٹ www.pacepakistan.com پر بھی دستیاب ہے۔

2) اراکین کا رجسٹر مؤرخہ 21 اکتوبر 2024ء تا 28 اکتوبر 2024ء (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2024ء کو کاروبار بند ہونے تک کمپنی کے رجسٹرار کارپ لنک (پرائیویٹ) لمیٹڈ، 1-K کمرشل ماڈل ٹاؤن لاہور اور کمپنی کے شیئر ٹرانسفر آفس کو موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت وصولی شمار کیا جائے گا۔

3) اجلاس میں شرکت اور رائے شماری کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کرسکتا ہے۔ کارآمد کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہوجانی چاہئیں۔

4) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B-1، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

5) کمپنیز (پوسٹل بیلٹ) قواعد 2018ء کی پیروی میں اور خصوصی قرارداد پر مشتمل ایجنڈا آئٹمز کے لئے کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 سے مشروط اراکین کو بذریعہ پوسٹل بیلٹ یعنی بذریعہ ڈاک یا ای ووٹنگ اپنا حق رائے دہی استعمال کرنے کا اختیار ہوگا جو مذکورہ بالا ضوابط میں درج اصولوں اور طریقہ کار کے عین مطابق ہوگا۔

6) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم کم از کم 10 فی صد کل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز کمپنی کو ویڈیو لنک کے ذریعے اجلاس

میں شرکت کی سہولت حاصل کرنے کا مطالبہ سکتے ہیں۔

وڈیولنک سہولت کی درخواست اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست اسٹینڈرڈ فارم پر دی جائے۔ یہ اسٹینڈرڈ فارم کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جا سکتا ہے۔

مزید یہ کہ، مؤرخہ 15.02.2021 کے سرکلر نمبر 04/2021 کی تعمیل میں کمپنی کے شیئر ہولڈرز ویڈیو/ ویب ایکس/ زوم یا دیگر برقی ذرائع سے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2024ء کو کاروباری اوقات کار ختم ہونے تک کمپنی کی کتابوں میں ظاہر ہوتے ہیں اور وہ آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہش مند ہیں تو انہیں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

ای میل: jawahar@pacepakistan.com؛ sajjadahmad@pacepakistan.com

وٹس ایپ نمبر: 0303-4444800؛0302-8440935

شیئر ہولڈرز سے التماس ہے کہ وہ اپنی تفصیلات مندرجہ ذیل جدول کے مطابق پُر کریں۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو نمبر/ CDC اکاؤنٹ نمبر	تعداد ملکیتی حصص	موبائل نمبر	ای میل ایڈریس

خواہش مند شیئر ہولڈرز سے مذکورہ بالا معلومات کی وصولی پر کمپنی اُن کے ای میل ایڈریس پر لاگ ان تفصیلات/ پاس ورڈ بھیجے گی۔ اجلاس کے دن شیئر ہولڈرز اپنے سمارٹ فون یا کمپیوٹر ڈیوائس کے ذریعے کسی بھی مناسب مقام سے لاگ ان کر کے اجلاس کی کارروائی میں شرکت کر سکتے ہیں۔

اراکین اجلاس کے ایجنڈا آئٹمز سے متعلق اپنی آراء/ تجاویز بھی مذکورہ بالا ای میل ایڈریس اور وٹس ایپ نمبر پر بھیج سکتے ہیں۔ لاگ ان کی سہولت اجلاس کے انعقاد سے 10 منٹ قبل کھولی جائے گی تاکہ شرکاء اجلاس میں شرکت کر سکیں۔

7) کمپنی کے خود مختار شیئر رجسٹرار کا پتا: **کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور 35839182-(042)**

8) نوٹس برائے سالانہ اجلاس عام کمپنی کی ویب سائٹ www.pacepakistan.com پر شائع کر دیا گیا ہے۔

9) a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بینی فیشل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

b) پراکسیز کے تقرر کے لئے، CDC کا فرد واحد بینی فیشل مالک مذکورہ بالا تقاضوں کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پراکسی فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

10) کمپنی نے سالانہ پڑتال شدہ کھاتے بذریعہ CD / DVD اور ای میل (اگر ای میل ایڈریس فراہم کیا گیا ہو) ارسال کر دیئے ہیں۔ مزید یہ کہ، کمپنی کسی رکن کی درخواست موصول ہونے پر مکمل کاغذی نقل بھی ارسال کرے گی۔

11) اراکین سے گذارش کی جاتی ہے کہ اپنے رجسٹرڈ پتا میں تبدیلی سے متعلق فوراً آگاہ کریں۔

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا انڈرٹیکنگز میں سرمایہ کاری) ضوابط، 2017ء کے باب II قاعدہ 4(2) کے تحت اظہار

پیس برکہ پراپرٹیز لمیٹڈ (''پیس برکہ'') کے سرمایہ حصص میں اضافی ایکویٹی سرمایہ کاری کے لئے گذشتہ سالانہ اجلاس عام منعقدہ 28 اکتوبر 2023ء میں خصوصی قرارداد کے ذریعے سرمایہ کاری کے فیصلے پر عمل درآمد ہوگیا ہے۔ فیصلے کی موجودہ صورتحال پر وضاحت حسب ذیل ہے۔

کل سرمایہ کاری	1,750 ملین روپے (ایک ہزار سات سو پچاس ملین روپے صرف) تک اضافی ایکویٹی سرمایہ کاری
تاحال کی گئی سرمایہ کاری کی مالیت	-/10 روپے فی حصص کی شرح سے 174,742,631 عمومی حصص میں تقسیم -/1,747,426,310روپے
سرمایہ کاری کی منظوری شدہ تاریخ میں توسیع کی وجوہات جہاں سرمایہ کاری کے فیصلے پر مقررہ وقت میں عمل درآمد مطلوب تھا۔	اطلاق نہیں ہوتا

سرمایہ کاری کی منظوری کے لئے قرارداد کی تاریخ منظوری سے ایسوسی ایٹڈ کمپنی کی مالیاتی اسٹیٹمنٹس میں تبدیلی	مالیاتی سال مختتمہ	(ملین روپوں میں) 2023ء	(ملین روپوں میں) 2024ء
	سرمایہ حصص اور زخائر	5,083.96	6227.01
	غیر حالیہ واجبات	1,143.72	808.13
	حالیہ واجبات	1,016.57	1,221.32
	غیر حالیہ اثاثہ جات	5,197.63	5,495.68
	حالیہ اثاثہ جات	2,046.61	2,488.29
	خالص خسارہ	295.06	600.31

Pace (Pakistan) Limited

Chairman's Review

ECONOMIC OVERVIEW

The outgoing fiscal year witnessed moderate economic recovery. Government's prudent policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have rallied due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,810 points by June 21, 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

REAL ESTATE INDUSTRY CHALLENGES

The real estate industry encountered significant challenges during the year, including higher existing and new taxes, reduced remittances from overseas Pakistanis, and decreased interest from local and foreign investors in the sector. Escalating construction costs have severely impacted project development and completion, while running existing projects has become costlier due to increased commodity prices and higher electricity rates. These factors collectively affected the overall performance of the Company.

BOARD OF DIRECTORS' PERFORMANCE

I am pleased to report on the Board's overall performance and its effectiveness in achieving the Company's objectives:

- The Board diligently fulfilled its duties, prioritizing the best interests of the Company's shareholders and efficiently managing its affairs.
- The Board comprises highly professional and experienced individuals, bringing diverse business expertise, including the independent directors. All board members are acutely aware of their responsibilities and conscientiously fulfill them.
- The Board maintains the requisite representation of non-executive and independent directors on its committees, in accordance with the Code. Members of the Board and its committees possess the necessary skills, experience, and knowledge to oversee the Company's affairs.
- Directors received orientation courses to enhance their effectiveness, with four directors already certified under the Directors Training Program, and the

remaining directors meeting or on the way to meeting the qualification and experience criteria stipulated by the Code.

- The Board established Audit and Human Resource and Remuneration Committees, defined their terms of reference, and allocated adequate resources for diligent committee performance.

- Board and committee meetings were conducted with the necessary quorum, decision-making was documented through Board resolutions, and accurate minutes of all meetings (including committees) were maintained.

- The Board actively participated in strategic planning, enterprise risk management, policy development, financial structure monitoring, and approval processes. Significant matters throughout the year were presented to the Board or its committees to formalize corporate decision-making.

- All significant issues, especially related-party transactions, were presented to the Board, and decisions were made based on Audit Committee recommendations.

- The Board ensured the presence of a robust internal control system, regularly assessing it through self-assessment mechanisms and internal audits.

- The Board prepared and approved the director's report, ensuring its publication alongside quarterly and annual financial statements in accordance with applicable laws and regulations.

- The Board exercised its powers in accordance with relevant laws and regulations governing the Company, consistently prioritizing compliance.

- The Board oversaw the hiring, evaluation, and compensation of key executives, including the Chief Executive, Chief Financial Officer, Company Secretary, and Head of Internal Audit.

- The Board facilitated timely information sharing among its members, keeping them informed of developments between meetings.

I express my gratitude to my fellow directors, shareholders, management, and staff for their unwavering support in exceptionally challenging operating conditions. We assure you that areas requiring improvement are thoroughly considered, and action plans are devised. We eagerly anticipate continued success for the Company in the future.

Lahore
Dated: 04 October 2024

Sikander Rashid Choudry
Chairman

پیس (پاکستان) لمیٹڈ

چیئر مین کا تجزیہ

اقتصادی جائزہ

زیرِ جائزہ مالیاتی سال پاکستان سمیت دنیا بھر کی معیشتوں کے لئے انتہائی مشکل ترین رہا۔ افراطِ زر کی بلند شرح نے عالمی سطح پر مرکزی بینکوں کو شرح سود بڑھانے پر مجبور کر دیا جس سے کاروبار کرنے کی لاگت میں اضافہ ہوا۔ سپلائی چین میں رکاوٹوں نے بھی اشیائے ضروریہ خصوصاً تیل کی قیمتوں میں اضافہ میں اہم کردار ادا کیا۔ پاکستان کی معیشت بلند شرح سود، امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی، درآمدی پابندیوں، مالیاتی سال کی پہلی سہ ماہی میں تباہ کن سیلاب اور غیر ملکی پاکستانیوں کی جانب سے ترسیلات زر میں کمی جیسے مسائل کا شکار رہی۔ آئی ایم ایف کے ساتھ معاہدہ نے کاروباری حالات کو کچھ حد تک بہتر کیا البتہ قومی اسمبلی کی مدت ختم ہونے پر مستقبل کے لئے بے یقینی کی نئی لہر سامنے آئی۔

رئیل اسٹیٹ انڈسٹری چیلنجز

رئیل اسٹیٹ انڈسٹری کو سال بھر میں کئی مسائل کا سامنا کرنا پڑا جس میں موجودہ اور نئے ٹیکسوں میں اضافہ، دیگر ممالک میں مقیم پاکستانیوں کی جانب سے ترسیلات زر میں کمی اور اس شعبے میں ملکی و بین الاقوامی سرمایہ داروں کی عدم دلچسپی شامل ہیں۔ تعمیراتی لاگت میں ہوشربا اضافہ نے پروجیکٹ ڈیویلپمنٹ اور تکمیل پر شدید منفی اثرات مرتب کئے۔ جب کہ اشیائے ضروریہ کی قیمتوں اور بجلی کے نرخ میں اضافہ نے جاری موجودہ پروجیکٹس کی لاگت میں اضافہ کیا۔ یہ عوامل مجموعی طور پر کمپنی کی مجموعی کارکردگی پر اثر انداز ہوئے ہیں۔

بورڈ آف ڈائریکٹرز کی کارکردگی

سال بھر میں پیس (پاکستان) لمیٹڈ کے بورڈ آف ڈائریکٹرز میں ری سٹرکچرنگ جاری رہی جس کے نتیجے میں دو نئے خودمختار ڈائریکٹرز اور ایک بورڈ چیئرمین کی تعیناتی کی گئی۔

میں بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد حاصل کرنے میں اس کی افادیت پر اپنی رپورٹ از راہِ مسرت پیش کرتا ہوں۔

- بورڈ نے کمپنی کے شیئر ہولڈرز کے بہترین مفاد میں انتہائی مستعدی سے اپنے فرائض سرانجام دیئے ہیں اور مؤثر انداز میں کمپنی کے امور کو مینج کیا ہے۔
- بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ وہ بشمول خودمختار ڈائریکٹرز مختلف شعبوں سے وسیع تجربہ لے کر آئے ہیں۔ بورڈ کے تمام اراکین اپنی ذمہ داریوں سے بخوبی آگاہ ہیں اور انتہائی دلجمعی سے وہ ذمہ داریاں سرانجام دے رہے ہیں۔
- بورڈ اور اس کی کمیٹیوں میں ضابطہ کے مطابق نان ایگزیکٹو اور خودمختار ڈائریکٹرز کی مناسب نمائندگی موجود ہے اور بورڈ اور اس کی کمیٹیوں کے اراکین کے پاس معقول مہارت، تجربہ اور علم بھی ہے تاکہ وہ کمپنی کے امور پر نگرانی رکھ سکیں۔
- ڈائریکٹرز نے اپنی افادیت کو بڑھانے کے لئے اورئنٹیشن کورسز حاصل کئے ہیں اور ان میں سے چار ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت پہلے ہی سرٹیفکیشن حاصل کر لی ہے اور بقیہ ڈائریکٹرز ضابطہ کے مطابق قابلیت اور تجربہ کے معیار پر پورا اترتے یا پورا اترنے کے عمل میں ہیں۔

- بورڈ نے آڈٹ اور ہیومن ریسورس اینڈ ریمونریشن کمیٹیاں تشکیل دی ہیں اور ان کے متعلقہ کام کے طریقہ کار کو منظور کیا ہے اور کمیٹیوں کی بہترین کارکردگی کو یقینی بنانے کے لئے معقول وسائل مختص کئے ہیں۔
- بورڈ نے یقینی بنایا کہ بورڈ اور اس کی کمیٹیوں کے اجلاس درکار کورم کے تحت منعقد ہوں اور تمام تر فیصلہ سازی کا عمل بورڈ قرارداد کے تحت ہو جب کہ تمام اجلاسوں کی بالکل درست کارروائی (بشمول کمیٹی اجلاس) کا ریکارڈ رکھا گیا۔
- بورڈ نے اسٹریٹجک پلاننگ، انٹرپرائز رسک مینجمنٹ سسٹم، پالیسی ڈیویلپمنٹ اور مالیاتی ڈھانچے کی نگرانی اور منظوری کے عمل میں فعال کردار ادا کیا۔سال بھر میں تمام خصوصی معاملات کو بورڈ اور اس کی کمیٹیوں کے روبرو پیش کیا گیا تا کہ کاروباری فیصلہ سازی کو حتمی شکل دی جا سکے۔
- تمام اہم معاملات خصوصاً متعلقہ فریقین سے لین دین کو بورڈ کے سامنے پیش کیا گیا اور فیصلے آڈٹ کمیٹی کی سفارشات کے عین مطابق کئے گئے۔
- خود ساختہ تجزیاتی نظام اور انٹرنل آڈٹس کے ذریعے باقاعدگی سے جائزہ لے کر بورڈ نے یقینی بنایا ہے کہ داخلی نظم وضبط کا ایک مربوط نظام قائم رہے۔
- بورڈ نے ڈائریکٹرز رپورٹ مرتب ومنظور کی ۔ بورڈ نے یقینی بنایا کہ مروجہ قوانین وضوابط کے تحت سہ ماہی اور سالانہ سالانہ مالیاتی اسٹیٹمنٹس کے ساتھ اسے شائع کیا جائے۔
- تعمیل کو مستقل بنیادوں پر ترجیح دے کر کمپنی کے نظم وضبط کی بابت متعلقہ قواعد وضوابط کے مطابق بورڈ نے اپنے اختیارات کا استعمال کیا۔
- بورڈ نے اہم ایگزیکٹو بشمول چیف ایگزیکٹو، چیف فائنشیل آفیسر، کمپنی سیکریٹری اور سربراہ انٹرنل آڈٹ کی تعیناتی، جائزے اور معاوضے پر نظر ثانی کی۔
- اجلاسوں کے مابین پیش رفت سے آگاہ رکھنے کے لئے بورڈ نے اراکین کو معلومات کی بروقت فراہمی میں سہولت فراہم کی۔

کام کے انتہائی مشکل حالات میں، میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، مینجمنٹ اور عملے کی غیر متزلزل حمایت کا شکریہ ادا کرتا ہوں۔ہم آپ کو یقین دلاتے ہیں کہ بہتری کے حامل شعبوں پر باقاعدہ نظر ثانی کی جاتی ہے اور ایکشن پلان وضع کئے جاتے ہیں۔ہم مستقبل میں کمپنی کے لئے کامیابیوں کے سلسلے کو جاری رکھنے کے لئے پرامید ہیں۔

لاہور	**سکندر رشید چوہدری**
تاریخ: 04 اکتوبر 2024ء	**چیئرمین**

Directors' Report (Year Ended June-2024)

Pace (Pakistan) Limited ("The Company" or "Pace")

General Economic Overview

The outgoing fiscal year witnessed moderate economic recovery. Government's prudent policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have rallied due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,810 points by June 21, 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

In real sector, the agriculture demonstrated robust growth in FY2024, backed by strong quarterly growth rates of 8.6% in Q1, 5.8% in Q2, and 3.9% in Q3. The large scale manufacturing (LSM) sector experienced moderate growth of 0.45% during Jul-Apr FY2024. This marks a notable improvement compared to the 8.8% contraction during the same period last year. After consecutive negative growth in Q1 and Q2, the LSM sector is now showing a recovery in Q3 of FY2024. Nearly 50% of sub-sectors have recovered and posted positive growth.

Factors such as high inflation, prolonged tight monetary policy, and the slow recovery process in major trading partners contributed to the contraction of the LSM sector. The impact of these factors is fading, as reflected in the positive growth of the LSM sector. CPI inflation reached its lowest level in 30 months as YoY inflation recorded at 11.8 percent in May 2024, a significant decrease from 38.0 percent in May 2023. This decline can be attributed to several factors, such as monetary tightening, fiscal consolidation, smooth supplies of food items, favorable global commodity prices, and exchange rate stability.

The government's efforts have played a significant role in containing inflation, demonstrating its commitment to price stability. The fiscal accounts have improved during Jul-Apr FY2024 led by various revenue enhancing and expenditure control measures. As a result, the fiscal deficit has reduced to 4.5% of GDP from 4.7% of GDP last year. Moreover, effective management of non-interest spending has improved the primary balance to a surplus of 1.5 % of GDP, keeping it well on track to meet the full-year target of 0.4 % of GDP.

On the external front, a sustained improvement was observed in the current account balance. The current account posted a deficit of $0.5 billion for Jul-May FY2024, compared to a deficit of $3.9 billion last year, largely reflecting improvements in the trade balance and remittances. YoY, exports increased by 17.3 % to $3.0 billion in May 2024 from $2.6 billion in May 2023, due to smooth supply of raw materials for export-oriented industries. Imports also increased by 34.5 % YoY to $5.0 billion in May 2024 from $3.8 billion last year. The trade deficit reached $2.0 billion in May 2024 against $1.2 billion last year. The impact of the increased trade deficit was mitigated by a 54.2 % increase in remittances on YoY basis in May 2024, reaching $3.2 billion compared to $2.1 billion in May 2023. In May 2024, FDI inflows were also encouraging, recorded at $270.9 million compared to an inflow of $155.7 million last year. The Monetary Policy Committee (MPC) in th its 10 June 2024 meeting has reduced the policy rate by 150 bps to 20.5%. The decision was based on moderate GDP growth in FY2024, receding inflationary pressures.

This downward revision has enhanced the positive business sentiments. During 1st July – 31st May, FY24 money supply (M2) shows growth of 9.6 % (Rs. 3029.6 billion) compared 8.8 % growth (Rs. 2429.9 billion) in last year. The government is committed to create an investment-friendly environment to encourage long-term commitments from potential investors which is imperative for maintaining economic stability.

Company Performance and Financial Overview

The comparison of the financial results for the year ended 30th June 2024, with previous financial year is as under:

	Year End 2024	Year End 2023
	Rupees in '000'	
Sales	2,056,244	241,809
Cost of Sales	(1,364,947)	(118,789)
Gross Profit	691,297	123,020
Admin & Selling Expenses	(252,375)	(328,804)
Other Income	193,239	120,632
Exchange Gain/(loss) on foreign currency convertible bond	153,517	(1,421,955)
Finance Cost	(222,406)	(182,541)
Other Operating expenses	-	-
Gain from change in FV of investment property	(10,879)	14,562
Net profit/(loss) before tax	552,393	(1,674,581)
Net profit/(loss) after tax	526,690	(1,677,604)
Earnings/(Loss) per share (PKR)	1.89	(6.02)

During year under review, the revenue of the Company amounted to Rs. 2,056 Million as compared to Rs. 242 Million last year. Cost of Sales also increased from Rs. 119 Million last year to Rs. 1,365 Million current year. Administrative expenses were Rs 329 million against Rs 252 million. Other income of the company stands at PKR 193 Million as compared to Rs. 121 million last year. There is an exchange gain during the current year as well of Rs. 154 Million on Foreign Currency Convertible Loan due to appreciation of Pak-Rupee against US Dollars. Finance costs during the period increased from Rs. 183 million to Rs. 222 million, due to change in KIBOR rate.

As a result of aforementioned factors, the profit for the period under consideration amounted to Rs. 527 million as compared to loss of last year of Rs. 1,678 million, resulting in Profit Per Share of Rs. 1.89 as compared to Loss per share of Rs. 6.02 last year.

Status of Financial Obligations

The current maturity of long term loans stands at Rs. 5.77 billion as at 30th June 2024. This liability is decreased in current year on account of Exchange Gain recorded on Foreign Currency Convertible Bonds due to appreciation of PKR against US Dollar. Further the remaining amount payable to financial institutions and lenders in respect of company's borrowings is currently in overdue status because of the non-repayment of loans and accrued markup owing to the limited cash flows available to the company, however we look forward to repay our commitments and obligations towards our financial lenders in near future as the construction and sales in respect of Pace Tower has already begun. Further, the Company is in process of negotiations with lenders for settlement of their overdue liabilities.

Company's Ability to Continue as a Going Concern

The Company has earned profit before tax of Rs. 527 million (2023: Rs. 16,77 million Loss). Conversion of loss into profit of this yea is mainly due to increase in sales and exchange gain on Foreign Currency Convertible Bonds.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 6,089 million (2023: Rs. 5,250 million), and accumulated losses of the Company stand at Rs. 4,258 million (2023: Rs. 4,786 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. These conditions indicate the existence of a material uncertainty related to events or conditions that may cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize it assets and discharge its liabilities in the normal course of business.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

The management is continuously engaged with its lenders for settlements of Company's borrowings. In addition, the management of the company has changed its shopping mall structure to shared office structure. This results in high inflows in form of rentals.

Construction of Pace Tower is near to complete. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. The Management has also sold its shops and plots in Pace Circle and Islamabad that resulted in increased sales.

In addition, company has still saleable inventory in the form of Islamabad plots, the palm and various shops in pace shopping malls. The management is expected to generate good revenue over the period of three years from sale of these inventories. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Risk Management

The Board recognizes that risk is an integral component of the business, and that it is characterized by both threat and opportunity. Pace fosters a risk aware corporate culture in all decision-making, and is committed to manage all risks in a proactive and effective manner through competent risk management. To support this commitment, risk is analyzed in order to inform the management decisions taken at all levels within the organization. Due to the limitations inherent in any risk management system, the process for identifying, evaluating and managing the material business risks is designed to manage, rather than eliminate, risk and to provide reasonable, but not absolute assurance, against material misstatement or loss. Certain risks, for example natural disasters, cannot be managed to an acceptable degree using internal controls. Such major risks are transferred to third parties in the local insurance markets, to the extent considered appropriate. During the period under review the Company has formed a Risk Management Committee.

Internal Controls

The directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The directors have completed their annual review and assessment for year ended 2024.

The board and audit committee regularly review reports of the internal audit function of the company related to the Company's control framework in order to satisfy the internal control requirements. The company's internal Audit function reviews the integrity and effectiveness of control activities and provides regular reports to the Audit Committee and the Board.

Our Commitment to Diversity

We at Pace believe in diversity, wherever we operate and across every part of our business, we strive to create an inclusive culture in which difference is recognized and valued. By bringing together men and women from diverse backgrounds and giving each person the equal opportunity to contribute their skills, experience and perspectives, we believe that we are able to develop the best solutions to challenges and deliver sustainable value for our stakeholders.

Health and Safety Measures

We are committed on achieving our goal of zero harm. This is supported by our management system which provides the framework for incorporating hazard identification, risk assessment and risk management into all aspects of the operations. Safe operations that protect our people and assets are a priority and we work systematically to mitigate risks that are critical to operating safely.

We emphasize on improved leadership engagement around safety risk and to improve our health management processes, improve our understanding of fitness for work and wellness risks within our workforce.

Occupational health and safety is a top priority at the Company. We will strive to ensure safe working conditions, equipment and work sites. The Company promotes Employee involvement and accountability in identifying, preventing and eliminating hazardous conditions and the risks of Employee injury.

Health and safety in the working environment, product quality and operating efficiency are inseparable. The Company will ensure continuous improvement in health and safety performance through close cooperation among management, Employees and unions, which will contribute to the health and safety of employees and the success of the organization.

The Company is committed to:

- make employee health and safety a priority in all aspects of management practices;
- establish, communicate and enforce, with the Employees' involvement, work site-specific rules and safe work methods;
- promote and develop the awareness, leadership and accountability of employees in health and safety through their involvement in continuous improvement processes;
- measure its health and safety performance in accordance with established standards, and communicate the results to the Employees.

Corporate Social Responsibility

The management of the Company allows various non-profit organizations to do charitable activities at the Shopping Malls of the Company i.e. distribution and display of their material and collection of charity through boxes etc.

People and Human Resource Development

Our People strategy, together with our employee commitment, forms the framework that guides how we attract, develop, engage and retain talented people, while ensuring alignment with our business strategy. In line with our Employment policy, we seek safe and effective working relationships at all levels within the Group.

We employ on the basis of job requirements and adhere to the laws pertaining to non-discrimination on grounds of age, ethnic or social origin, gender, sexual orientation, politics, religion or disability.

Our employees' diversity of skills, ideas and experiences helps to ensure that we respond innovatively and sensitively to the challenges faced across the Company. The Company's human resource development is founded on a strong set of values. The policies seek to instill spirit of trust, transparency and dignity among all employees and thus have contributed to continuous growth.

We have a full-fledged HR department that is responsible for making this all happen. We offer our employees a rounded total rewards package, the principles of which are consistent across the all levels, designed to be competitive, in compliance with all applicable laws and regulations, and appropriately balanced.

Appropriations

Keeping in view the financial constraints and requirements of the company, the board has not recommended any dividend for the year under review.

EXECUTIVE REMUNERATION

The remuneration to the Chief Executive Officer and Executive at the Company is as follows:

	Chief Executive		Executive	
	2024	2023	**2024**	2023
	--- (Rupees in thousand) ---			
Managerial remuneration	**7,600**	7,600	**5,022**	2,726
House allowance	**3,040**	3,040	**2,009**	1,090
Utilities	**760**	760	**502**	273
Staff retirement benefit-Gratuity	**950**	950	**682**	341
Leave encashment	**1,267**	633	**837**	227
	13,617	12,983	**9,052**	4,656

Code of Corporate Governance;

The company has implemented Listed Companies (Code of Corporate Governance) Regulations, 2019; the composition of Board committees and the Composition of the Board are made in accordance with the provisions of the Code of Corporate Governance.

Board of Directors

Since the last report there has been only one change in the composition of the Board during the year. Mr. Umair Fakhar Alam was appointed in the place of Sheikh Aftab Ahmed.

The composition of Board is as under:

Total number of Directors	**07**
a) Male:	05
b) Female:	02

Composition:

Independent Directors	02
Other Non-Executive Directors	02
Executive Directors	03

Committee of the board

Audit Committee	Shavez Ahmad (Chairman) Shehrbano Taseer (Member) Sikander Rashid Choudry (Member)
Human Resource and Remuneration (HR&R) Committee	Shavez Ahmad (Chairman) Aamna Taseer (Member) Shehrbano Taseer (Member)

Risk Management Committee

Umair Fakhar Alam (Chairman)
Aamna Taseer (Member)
Shehryar Ali Taseer (Member)

The Statement of Compliance with Code of Corporate Governance is annexed.

AUDITORS

The present auditors M/s Junaidy Shoaib Asad, Chartered Accountants retire and offer themselves for reappointment. The Board of directors has recommended their appointment as auditors of the Company for the year ending June 30, 2025, at a fee to be mutually agreed.

Integrity and compliance

Maintaining a strong and ethical culture is fundamental to the way we work at Pace. We are committed to conduct our business with integrity, one of our core values, and believe our values and good ethical standards are key to executing our strategy.

We are committed, in principle and practice, to transparency consistent with good governance and commercial confidentiality. We issue information in a timely way on the Group's operational, financial and sustainable development performance through a number of channels.

Compliance with Laws, Rules & Regulations

Employees are required to comply fully with all laws, rules and regulations affecting the Company's business and its conduct in business matters. It is the Company's policy to abide by the national and local laws of nation and communities in which business of the Company is conducted. Beyond the strictly legal aspects involved, employees at all times are expected to act honestly and maintain the highest standards of ethics and business conduct, consistent with sthe professional image of the Company.

Trading of Directors

During the year under review no trading in the Company shares were carried out by the Directors, CEO, CFO, Company Secretary and their spouses including any minor children.

Pattern of shareholding

The pattern of shareholding as required under Section 227(2)(f) of the Companies Act 2017 and Listing regulations is enclosed.

Corporate and Financial Reporting Framework

- The financial statements together with the notes drawn up by the management present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- The international accounting standards, as applicable in Pakistan, have been followed in the preparation of financial statements and departure there from (if any) is adequately disclosed.

- Significant deviations from last year in operating results of the Company have been highlighted and reasons thereof explained above.

- There are statutory payments on account of taxes, duties, levies and charges which are outstanding and have been disclosed in Note – 15 to financial statements.

- Information about loans and other debt instruments in which the Company is in default or likely to default are disclosed in Note – 17 to the financial statements.

The Path Forward

Through the delivery of key development projects during the year including First Capital Tower previously named as Pace Towers and significant investment and share in pace Circle, we look forward to onboarding significant operating cash flows by successfully converting non-income producing assets to cash flowing operating assets.

The Board of Directors has made additional equity investment in Pace Barka Properties Limited, upto the extent of Rs. 1,747 million by way of subscription of right shares and subscribing the unsubscribed portion of right issue

While we will continue to focus on improving our capital structure over the coming years, we will also look to make diligent and sound investment decisions when compelling opportunities arise.

With best-in-class assets and properties in prime irreplaceable dense cluster locations and a great team, we hope that our investors continue to focus on our fundamentals as a high-quality, innovative company in real estate sector of Pakistan with a unique built-in platform for growth.

Our unparalleled team has done an extraordinary job in a tough environment and we admire their untiring efforts, dedication and commitment to the Company

For and on behalf of Board of directors

04 October 2024

Director

Chief Executive Officer

ڈائریکٹرز کی رپورٹ (سال مختتمہ جون 2024ء)

پیس (پاکستان) لمیٹڈ (''کمپنی'' یا ''پیس'')

عمومی اقتصادی جائزہ

گزرے مالیاتی سال میں معمولی معاشی استحکام آیا۔ حکومت کی جامع پالیسی مینجمنٹ اور انتظامی اقدامات نے منڈی کے اعتماد کو بحال کیا جس سے معاشی سرگرمیوں کی رفتار میں بہتری آئی۔ مالیاتی سال 2024ء کے دوران شرح نمو میں 2.4 فی صد تک تیزی آئی۔ یہ نمو وسیع بنیادوں پر تھی جس میں زرعی شعبہ 6.3% تک توسیع اختیار کر گیا۔ جب کہ انڈسٹری اور سروسز میں بھی 1.2% تک ترقی ہوئی۔ معاشی حالات میں بہتری کے باعث منڈیوں کے مثبت رجحان میں بھی تیزی آئی۔ PSX میں بھی جولائی 2023ء کے مقابلے میں 79.5% تک بہتری آئی۔ جب 21 جون 2024ء کو KSE-100 انڈیکس 78,810 پوائنٹس کی بلندترین سطح پر پہنچ گیا۔ ممکنہ نمو کی جانب سے معیشت کو دھکیلنے کے لئے سرمایہ کاری کے فروغ اور بیرونی شعبے کو مزید سہارا دینے کی غرض سے حکومت نے نئے تین سالہ پروگرام کے لئے IMF کے ساتھ مذاکرات کا آغاز کر دیا ہے۔

رئیل سیکٹر میں، زراعت نے مالیاتی سال 2024ء کے دوران مستحکم نمو ظاہر کی جو پہلی، دوسری اور تیسری سہ ماہی میں بالترتیب 8.6%، 5.8% اور 3.9% کی مضبوط سہ ماہی شرح نمو کے باعث ممکن ہوئی۔ گذشتہ برس کی اسی مدت میں 8.8% کی کنٹریکشن کے مقابلے میں یہ ایک نمایاں پیش رفت ہے۔ پہلی اور دوسری سہ ماہی میں مسلسل منفی نمو کے بعد LSM سیکٹر مالیاتی سال 2024ء کی تیسری سہ ماہی میں بہتری کے آثار ظاہر کر رہا ہے۔ تقریباً 50% تک ذیلی شعبے بحال ہو چکے ہیں جس نے مثبت نمو درج کی۔

افراطِ زر کی بلند شرح، متواتر سخت مانیٹری پالیسی اور بڑے تجارتی شعبوں کی بحالی کے سست عمل نے LSM سیکٹر میں کنٹریکشن میں اہم کردار ادا کیا۔ ان عوامل کے اثرات ماند پڑ رہے ہیں جو LSM کی مثبت نمو سے عیاں ہے۔ مئی 2024ء میں 11.8 فی صد کی سالانہ کی بنیاد پر مہنگائی کے باعث CPI افراط زر 30 ماہ کی کم ترین سطح پر پہنچ چکی ہے جو مئی 2023ء میں 38.0 فی صد کے مقابلے میں نمایاں کمی ہے۔ اس کمی کو مانیٹری ٹائٹنگ، مالیاتی استحکام، اشیائے خوردونوش کی لگاتار سپلائی، عالمی سطح پر اشیائے خوردونوش کی سازگار قیمتوں اور شرح مبادلہ میں استحکام جیسے عوامل سے منسوب کیا جاتا ہے۔

حکومت کی کوششوں نے مہنگائی پر قابو پانے میں اہم کردار ادا کیا جو قیمتوں میں استحکام کی بابت اس کے عزم کی عکاسی کرتا ہے۔ مالیاتی سال 2024ء کے جولائی - اپریل دورانیہ میں مالیاتی اشاریے بہتر ہوئے جس کے باعث آمدنی میں اضافہ اور اخراجات پر قابو پانے جیسے اقدامات ممکن ہوئے۔ اس کے نتیجے میں، مالیاتی خسارہ مجموعی ملکی پیداوار کا 4.5% ہو گیا جو گذشتہ برس مجموعی ملکی پیداوار کا 4.7% تھا۔ مزید برآں، سود سے پاک اخراجات کے مؤثر انتظام سے ابتدائی توازن مجموعی ملکی پیداوار کا 1.5% تک پہنچ گیا جو پورے سال کے شرح نمو کے 0.4% ہدف کو پورا کرنے کے لئے کافی ہے۔

بیرونی سطح پر، کرنٹ اکاؤنٹ توازن میں پائیدار پیش رفت سامنے آئی۔ مالیاتی سال 2024ء کے جولائی - مئی دورانیہ میں کرنٹ اکاؤنٹ خسارہ 0.5 بلین ڈالر تک پوسٹ ہوا جو گذشتہ برس میں 3.9 بلین ڈالر تھا۔ جو تجارتی توازن اور ترسیلات زر میں بہتری کی عکاسی کرتا ہے۔ سالانہ کی بنیاد پر، مئی 2023ء میں 2.6 بلین ڈاکر کی برآمدات کے مقابلہ میں مئی 2024ء میں برآمدات 17.3% اضافے کے ساتھ 3.0 بلین ڈالر ہو گئیں۔ جو برآمدات پر انحصار کرنے والی انڈسٹری کے لئے خام مال کی بلا روک ٹوک فراہمی کے باعث ممکن ہوئیں۔ درآمدات میں بی سالانہ کی بنیاد پر 1.2 بلین ڈالر سے 5.0 بلین ڈالر یعنی 34.5% اضافہ ریکارڈ ہوا۔ بڑھتے ہوئے تجارتی خسارے پر مئی 2024ء میں سالانہ کی بنیاد پر ترسیلات زر میں 54.2% اضافہ کے ساتھ قابو پایا گیا جو مئی 2023ء میں 2.1 بلین ڈالر کے مقابلے میں 3.2 بلین ڈالر تک پہنچ گئیں۔ مئی 2024ء میں FDI ان فلو بھی تسلی بخش تھیں جو گذشتہ برس میں 155.7 ملین ڈالر کے مقابلے میں 270.9 ملین ڈالر ریکارڈ ہوئیں۔ مانیٹری پالیسی کمیٹی (MPC) نے اپنے 10 جون 2024ء کے اجلاس میں پالیسی ریٹ کو 150 بیسز پوائنٹس تک 20.5% کمی کی۔ یہ فیصلہ مالیاتی سال 2024ء کے دوران معقول شرح نمو کی بنیاد پر کیا گیا جس سے افراط زر کے دباؤ میں کمی واقع ہوئی۔

اس کمی نے کاروبار میں مثبت تبدیلیاں پیدا کیں۔ مالیاتی سال 2024ء میں یکم جولائی - 31 مئی کے دوران منی سپلائی (M2) نے 9.6% (3029.6 بلین روپے) کی بہتری دکھائی جو گذشتہ برس میں 8.8% (2429.9 بلین روپے) تھی۔ حکومت سرمایہ کاری کے لئے سازگار ماحول قائم کرنے کے لئے پرعزم ہے تاکہ ممکنہ سرمایہ کاروں کی جانب سے متواتر عزائم کی حوصلہ افزائی ہو جو معاشی استحکام کو برقرار رکھنے لئے ضروری ہے۔

کمپنی کی کارکردگی اور مالیاتی جائزہ

30 جون 2023ء کو اختتام پذیر سال کا گذشتہ مالیاتی سال کے مالیاتی نتائج سے موازنہ حسب ذیل ہے:

	سال مختتمہ 2024ء	سال مختتمہ 2023ء
	'000 روپوں میں	
سیلز	2,056,244	241,809
سیلز پر لاگت	(1,364,947)	(118,789)
کل منافع	691,297	123,020
انتظامی و فروخت کے اخراجات	(252,375)	(328,804)
دیگر آمدنی	193,239	120,632
غیر ملکی کرنسی میں قابل تغیر بانڈ کے مبادلہ پر آمدنی / (خسارہ)	153,517	(1,421,955)
قرضوں پر لاگت	(222,406)	(182,541)
دیگر آپریٹنگ اخراجات	-	-
انویسٹمنٹ پراپرٹی کے FV میں تبدیلی پر آمدنی	(10,879)	14,562
خالص نفع / (نقصان) بمعہ ٹیکس	552,393	(1,674,581)
خالص نفع / (نقصان) علاوہ ٹیکس	526,690	(1,677,604)
فی حصص آمدنی / (خسارہ) (روپے)	1.89	(6.02)

زیر جائزہ سال کے دوران، کمپنی کی آمدنی گذشتہ برس میں 242 ملین روپے کی نسبت 2,056 ملین روپے رہی۔ سیلز پر لاگت میں گذشتہ برس 119 ملین روپے کے مقابلے میں 1,365 ملین روپے اضافہ ریکارڈ ہوا۔ انتظامی اخراجات 252 ملین روپے مقابلہ میں 329 ملین روپے رہے۔ کمپنی کی دیگر آمدنی گذشتہ برس 121 ملین روپے کے مقابلے میں 193 ملین روپے رہی۔ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں استحکام کے باعث کمپنی نے غیر ملکی کرنسی میں تبدیلی کے قابل قرضوں پر 154 ملین روپے آمدنی حاصل کی۔ مذکورہ مدت کے دوران قرضوں پر لاگت میں KIBOR شرح میں تبدیلی کے باعث 183 ملین روپے سے 222 ملین روپے اضافہ ریکارڈ ہوا۔

مذکورہ بالا عوامل کی وجہ سے زیر جائزہ مدت کے دوران خسارہ گذشتہ برس میں 1,678 ملین روپے کے مقابلے میں 527 ملین روپے رہا جس کی وجہ سے گذشتہ برس میں 6.02 روپے فی حصص خسارہ کے مقابلے میں 1.89 روپے فی حصص منافع سامنے آیا۔

قرضوں کی صورت حال

طویل مدتی قرضوں کی حالیہ میچورٹی میں 30 جون 2024ء کو 5.77 بلین روپے رہی۔ رواں برس ان واجبات میں کمی امریکی ڈالر کے مقابلے میں روپے کی قدر میں اضافہ کے باعث فارن کرنسی کنورٹیبل بانڈز پر ایکسچینج آمدنی کی وجہ سے سامنے آئی۔ مزید برآں، کمپنی کے قرضوں کی بابت کمپنی کے پاس محدود سرمایہ ہونے کے باعث قرضوں اور اس پر مارک اپ کی عدم ادائیگی کے باعث مالیاتی اداروں اور قرض خواہان کو بقیہ واجب الادا رقم کی ادائیگی کے لئے مقررہ تاریخ گزر چکی ہے۔ البتہ ہم پیس ٹاور کی تکمیل اور فروخت کا عمل شروع ہونے پر ہم مستقبل قریب میں مالیاتی قرض خواہان کو قرض کی ادائیگی کے فرائض ادا کرنے کے لئے پر امید ہیں۔ مزید برآں، کمپنی اپنے تاخیری واجبات کی ادائیگی کے لئے اپنے قرض خواہان کے ساتھ مذاکرات بھی کر رہی ہے۔

کمپنی کی کاروبار جاری رکھنے کی صلاحیت

کمپنی نے 527 ملین روپے کا منافع بمعہ ٹیکس حاصل کیا (2023: 16,77 ملین روپے خسارہ)۔ رواں برس خسارے کی منافع میں تبدیلی غیر ملکی کرنسی میں تبدیل ہونے والے بانڈز پر ایکسچینج آمدنی اور سیلز میں اضافے سے منسوب کی جاتی ہے۔

رپورٹنگ تاریخ کو کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 6,089 ملین روپے (2023: 5,250 ملین روپے) سے تجاوز کر چکے ہیں جبکہ کمپنی کا مجموعی خسارہ 4,258 ملین روپے (2023: 4,786 ملین روپے) درج ہوا۔ لیکویڈیٹی مسائل کے باعث کمپنی اپنے قرض خواہان کی طرف اپنے متعدد فرائض سرانجام دینے کے قابل نہ رہی جس میں قرضوں کی بابت اصلی زر اور اس پر مارک اپ کی ادائیگی شامل ہے۔ یہ حالات ظاہر کرتے ہیں کہ غیر یقینی کی واضح صورت حال اور حالات و واقعات کے پیش نظر کمپنی کی کاروبار

جاری رکھنے کی صلاحیت میں نمایاں ابہام موجود ہے لہٰذا وہ عمومی کاروباری امور میں اپنے واجبات کی ادائیگی اور اثاثہ جات سے مستفید ہونے کے قابل نہیں ہے۔

انتظامیہ نے ایک تخمینہ لگایا ہے جو رپورٹنگ تاریخ سے بارہ ماہ تک کا احاطہ کرتا ہے اور انتظامیہ امید رکھتی ہے کہ مندرجہ ذیل اقدامات، اگر مؤثر انداز پر نافذ العمل ہو، پر عمل درآمد کی بدولت جاری امور کے لئے معقول مالیاتی وسائل پیدا ہوں گے:

انتظامیہ کمپنی کے قرضوں کی ادائیگی کے لئے اپنے قرض خواہان سے مسلسل رابطے میں ہے۔ مزید برآں، کمپنی کی انتظامیہ اپنے شاپنگ مال اسٹرکچر کو مشترکہ آفس سٹرکچر میں تبدیل کر دیا ہے۔ اس طرح کرایوں کی صورت میں بھاری منافع حاصل ہوگا۔

پیس ٹاور کی تعمیر مکمل ہونے کے قریب ہے۔ انتظامیہ پیس ٹاور کی بقیہ منازل/ اپارٹمنٹس کی فروخت کے لئے خریداروں کی تلاش میں فعال کردار ادا کر رہی ہے۔ انتظامیہ نے پیس سرکل اور اسلام آباد میں دکانوں اور پلاٹس بھی فروخت کر دیئے ہیں جس سے سیلز میں اضافہ ہوا۔

علاوہ ازیں، کمپنی کے پاس اسلام آباد پلاٹس، دی پام اور پیس شاپنگ مال میں کئی دکانوں پر مشتمل قابل فروخت انوینٹری موجود ہے۔ انتظامیہ پر امید ہے کہ ان انوینٹریز کی فروخت سے عرصہ تین سال کے اندر خاطر خواہ آمدنی حاصل ہوگی۔ ایسی فروخت سے حاصل آمد کمپنی کے آپریٹنگ کیش فلو کو بہتر کرنے اور واجبات کی ادائیگی میں مدد دے گی۔

رسک مینجمنٹ

بورڈ کو علم ہے کہ کسی بھی کاروبار میں خطرہ بنیادی عوامل میں سے ایک ہے اور یہ کہ اس میں خطرہ اور مواقع دونوں شامل ہوتے ہیں۔ پیس فیصلہ سازی کے تمام امور میں خطرے سے آگاہی کے کاروباری کلچر کو مضبوط کرنے پر یقین رکھتا ہے۔ پیس رسک مینجمنٹ کے ذریعے خطروں سے نبرد آزما ہونے کے لئے مؤثر انداز میں اور بروقت عمل کرنے میں بھی یقین رکھتا ہے۔ اس عزم اعادہ کرنے کے لئے ادارے میں ہر سطح پر لئے گئے فیصلوں کی بابت انتظامیہ کو آگاہ کرنے کے لئے غرض سے خطرے کا جائزہ لیا جاتا ہے۔ کسی بھی رسک مینجمنٹ سسٹم میں موجود حدود و قیود کے پیش نظر کاروباری خطرات کی نشاندہی، تخمینہ اور انتظام کا عمل خطرے کو ختم کرنے کی بجائے کنٹرول کرنے کے لئے استعمال ہوتا ہے اور مادی بے یقینی یا خطرے کے برعکس یہ کلی کی بجائے جزوی یقین دہانی کراتا ہے۔ قدرتی آفات جیسے مخصوص خطرات کو داخلی نظم وضبط کے ذریعے قابل قبول سطح پر ضبط نہیں کیا جا سکتا۔ ایسے بڑے خطرات کو حسب ضرورت طے شدہ شرائط پر مقامی انشورنس مارکیٹ میں فریق ثالث کو منتقل کر دیا جاتا ہے۔ زیر جائزہ مدت کے دوران کمپنی ایک رسک مینجمنٹ کمیٹی تشکیل دی ہے۔

داخلی نظم وضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے داخلی نظم وضبط کے سسٹم کے نفاذ اور سالانہ مؤثر نظر ثانی کے لئے ذمہ دار ہیں تاکہ وہ اپنے سٹیک ہولڈرز کو ان کی سرمایہ دار پر معقول منافع دے سکیں جو خطرات کے ذمہ دار تعین اور انتظام سے منسلک ہوتا ہے۔ اس میں مالیاتی، آپریشنل اور تعمیلی کنٹرولز اور رسک مینجمنٹ طریقہ ہائے کار اور ان پر متاثر عمل درآمد پر نظر ثانی شامل ہے۔

ڈائریکٹرز نے 2024ء کو اختتام پذیر سال کے لئے اپنا سالانہ جائزہ اور تخمینہ مکمل کر لیا ہے۔

بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک سے متعلق انٹرنل آڈٹ فنکشن پر باقاعدگی سے نظر ثانی کرتے ہیں تاکہ داخلی نظم وضبط کے امور پر عمل درآمد کی تسلی ہو جائے۔ کمپنی کا انٹرنل آڈٹ فنکشن کنٹرول سرگرمیوں کی مضبوطی اور مؤثر عمل درآمد پر نظر ثانی کرتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے رپورٹ کرتا ہے۔

تنوع کے لئے ہمارا عزم

پیس میں ہم یقین رکھتے ہیں کہ ہم اپنے کاروباری مقامات اور اس کے تمام شعبوں میں ایسا مربوط کلچر قائم کرنے کے لئے کوشاں ہیں جہاں اختلافات کو تسلیم کیا جاتا ہے اور ان کی قدر کی جاتی ہے۔ مہارتوں، تجربات اور صلاحیتوں میں اضافہ کرنے کے لئے متغیر پس منظر کے حامل خواتین وحضرات کو اکٹھا کر کے اور ہر فرد کو مساوی مواقع فراہم کر کے ہم تمام مسائل کا بہترین حل نکالنے اور اپنے سٹیک ہولڈرز کو پائیدار منافع فراہم کرنے پر یقین رکھتے ہیں۔

صحت اور تحفظ کے لئے اقدامات

ہم صفر ضرر کے ہدف کو حاصل کرنے کے لئے پر عزم ہیں۔ ہمارا انتظامی سسٹم اس طرح مرتب کیا گیا ہے جو ہمارے کاروباری امور کے تمام پہلوؤں میں خطرات کی نشاندہی، تعین اور انتظام کے لئے ایک فریم ورک مہیا کرتا ہے۔ اپنے ملازمین اور اثاثہ جات کے تحفظ کو یقینی بنانے کے لئے محفوظ کاروباری امور ہماری اولین ترجیح ہیں۔ ہم محفوظ کاروباری امور پر اثر انداز ہونے والے بنیادی خطرات پر قابو پانے کے لئے مربوط انداز میں کام کرتے ہیں۔

ہم حفاظتی خطرات کی بابت انتظامی امور، کام کے لئے صحت مند رہنے کی عقل وفہم اور کام کی جگہ پر سلامتی کے خطرات پر بہتر انداز میں قابو پانے کے لئے اپنی قیادت میں شعور بیدار کرتے ہیں۔

پیشہ ورانہ حفظان صحت کمپنی کی اولین ترجیح ہے۔ ہم کام کے حالات، سامان اور ورک سائٹس کو یقینی بنانے کے لئے کوشاں ہیں۔ کمپنی خطرناک حالات اور درپیش ضرر کے خطرات کی نشاندہی، تدارک اور خاتمہ میں ملازمین کی شمولیت اور جواب دہی کی حوصلہ افزائی کرتی ہے۔

کام کی جگہ پر صحت اور تحفظ، مصنوعات کا معیار اور آپریٹنگ کارکردگی ایک دوسرے کے لازم وملزوم ہیں۔ کمپنی انتظامیہ، ملازمین اور انجمنوں کے باہمی تعاون کے ذریعے صحت اور

تحفظ کی کارکردگی میں مسلسل پیش رفت کو یقینی بنائے گی جس کی مدد سے ملازمین کی حفظان صحت اور ادارے کی کامیابی میں مدد ملے گی۔
کمپنی مندرجہ ذیل کے لئے پرعزم ہے:

- انتظامی امور کے تمام شعبوں میں ملازمین کی حفظان صحت کو اولین ترجیح دینا۔
- ملازمین کی شمولیت، کام کی جگہ کے مخصوص قواعد اور کام کے محفوظ طریقہ ہائے کار کی تیاری، اعلان اور نفاذ
- بہتری کے جاری عمل میں ملازمین کی شمولیت کے ذریعے حفظان صحت میں ملازمین کی آگاہی، قیادت اور جوابدہی کو پروان چڑھانا
- مروجہ قواعد کے تحت حفظان صحت پر کارکردگی کا تعین کرنا اور اس کے نتائج سے متعلق ملازمین کو مطلع کرنا۔

کاروباری و سماجی ذمہ داری

کمپنی کی انتظامیہ متعدد غیر منافع بخش اداروں کو اپنے شاپنگ مالز پر خیراتی سرگرمیوں پر کام کی اجازت دیتی ہے۔ جس میں اپنے مواد کی تقسیم ونمائش اور ڈبوں وغیرہ کے ذریعے عطیات اکٹھا کرنا شامل ہیں۔

افراد اور انسانی وسائل کا فروغ

افراد اور اپنے ملازمین کی جانب ہماری حکمت عملی ایسا فریم ورک وضع کرتی ہے جو ہماری کاروباری حکمت عملی کے عین مطابق اپنے عملے کو برقرار رکھنے، ان کی تربیت اور شمولیت کے لئے رہنمائی فراہم کرتا ہے۔ اپنی ملازمت کی پالیسی کے مطابق ہم گروپ کے اندر تمام سطحوں پر مؤثر اور محفوظ ورکنگ تعلقات بنانے کے لئے کوشاں ہیں۔
ہم ملازمت کے معیارات کی بنیاد اور عمر، رنگ، نسل، جنس، جنسی ہیئت، سیاست، مذہب یا معذوری کی بنیاد پر غیر جانبدارانہ رویہ پر مشتمل قوانین پر عمل کرتے ہوئے بھرتی کرتے ہیں۔
ہمارے ملازمین کی مہارت، خیالات اور تجربات میں تنوع یہ یقینی بنانے میں مدد کرتا ہے کہ ہم کمپنی کو درپیش چیلنجز سے جدید اور حساس بنیادوں پر حل کریں۔ کمپنی کا ہیومن ریسورس ڈیولپمنٹ مضبوط اقدار پر قائم ہوتا ہے۔ یہ پالیسیاں تمام ملازمین میں اعتماد، شفافیت اور سالمیت کی روح پھونکتی ہیں اور اس طرح مسلسل ترقی میں اپنا حصہ ڈالتی ہیں۔
ہمارا ایک مکمل ایچ آر ڈیپارٹمنٹ ہے جو ایسے تمام امور کو سرانجام دینے کا ذمہ دار ہے۔ ہم اپنے ملازمین کو پرکشش معاوضے کا پیکیج پیش کرتے ہیں جس کے اصول تمام شعبوں میں یکساں ہیں۔ یہ پیکیج متقابل بھی ہیں اور جملہ مروجہ قوانین وضوابط کی تعمیل میں ان کو مناسب انداز میں متوازن کیا گیا ہے۔

تخصیصات

کمپنی کی مالیاتی پابندیوں اور ضروریات کے پیش نظر بورڈ نے زیر جائزہ سال کے لئے منافع منقسمہ کی سفارش نہیں کی ہے۔

ایگزیکٹو کا معاوضہ

کمپنی کے چیف ایگزیکٹو آفیسر اور ایگزیکٹو کا معاوضہ حسب ذیل ہے:

ڈائریکٹرز

	چیف ایگزیکٹو آفیسر		**ایگزیکٹو ڈائریکٹر**	
	2024ء	2023ء	**2024ء**	2023ء
	..........روپے ہزاروں میں..........			
انتظامی معاوضہ	**7,600**	7,600	**5,022**	2,726
ہاؤسنگ الاؤنس	**3,040**	3,040	**2,009**	1,090
سہولیات	**760**	760	**502**	273
سٹاف ریٹائرمنٹ مراعات۔ گریجوایٹی	**950**	950	**682**	341
تعطیلات کا معاوضہ	**1,267**	633	**837**	227
میزان	**13,617**	12,983	**9,052**	4,656

کوڈ آف کارپوریٹ گورننس

''لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء'' کو نافذ کیا گیا ہے۔ بورڈ اور بورڈ کمیٹیوں کی ترکیب کوڈ آف کارپوریٹ گورننس کے قواعد کے تحت کی گئی ہے۔

نئے بورڈ آف ڈائریکٹرز کا انتخاب

سابقہ رپورٹ کے مقابلے میں رواں برس بورڈ کی ترکیب میں صرف ایک تبدیلی واقع ہوئی ہے۔ جناب عمیر فخر عالم کو شیخ آفتاب احمد کی جگہ تعینات کیا گیا تھا۔

ڈائریکٹرز کی کل تعداد		07
a)	مرد:	05
b)	خاتون:	02

ترکیب:

خودمختار ڈائریکٹرز	02
دیگر نان ایگزیکٹو ڈائریکٹرز	02
ایگزیکٹو ڈائریکٹرز	03

بورڈ کمیٹیاں

آڈٹ کمیٹی	شاویز احمد (چیئرمین)
	شہر بانو تاثیر (رکن)
	سکندر رشید چوہدری (رکن)
ہیومن ریسورس اینڈ ریمونریشن (HR&R) کمیٹی	شاویز احمد (چیئرمین)
	آمنہ تاثیر (رکن)
	شہر بانو تاثیر (رکن)
رسک مینجمنٹ کمیٹی	عمیر فرخ عالم (چیئرمین)
	آمنہ تاثیر (رکن)
	شہر یار علی تاثیر (رکن)

کوڈ آف کارپوریٹ گورننس کا تعمیلی بیان لف ہذا ہے۔

آڈیٹرز

حالیہ آڈیٹرز میسرز جنید وائے شعیب اسد، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے باہمی طے شدہ معاوضے پر 30 جون 2025ء کو اختتام پذیر سال کے لئے بطور کمپنی آڈیٹرز ان کی تقرری کی سفارش کی ہے۔

سالمیت اور تعمیل

پیس میں کام کے دوران، ہم بنیادی طور پر مضبوط اور اخلاقی کلچر کو برقرار رکھتے ہیں۔ ہم اپنا کاروبار سالمیت سے کرنے کے لئے پرعزم ہیں جو ہماری بنیادی اقدار میں سے ایک ہے اور ہم یقین رکھتے ہیں کہ ہماری اقدار اور بہتر اخلاقی معیار ہماری حکمت عملی کو عملی جامہ پہنانے کے لئے انتہائی اہم ہے۔

ہم گورننس اور تجارتی رازداری کے عین مطابق شفافیت کے لئے دل و جان سے پرعزم ہیں۔ ہم مختلف ذرائع سے گروپ کے آپریشن، مالیات اور پائیدار ترقیاتی کارکردگی کی معلومات بروقت بہم پہنچاتے ہیں۔

قوانین، اصول وضوابط کی تعمیل

ملازمین سے قوانین، اصول وضوابط کی مکمل تعمیل کی توقع کی جاتی ہے جو کمپنی کے کاروبار اور کاروباری امور پر لاگو ہوتے ہیں۔ ملکی ومقامی قوانین اور کمپنی کے کاروباری مقامات میں نافذ العمل قوانین پر عمل درآمد کمپنی کی پالیسی ہے۔ قانونی پہلوؤں کے علاوہ ملازمین سے کمپنی کی پیشہ ورانہ ساکھ کو ملحوظ خاطر رکھتے ہوئے ہمہ وقت دیانتداری سے کام کرنے اور بہترین اخلاقیات اور کاروباری ضوابط پر عمل درآمد کا مظاہرہ کرنے کی توقع کی جاتی ہے۔

ڈائریکٹرز کی تجارت

زیر جائزہ سال کے دوران ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اوران کے اہلیان اور کم سن بچوں کی جانب سے کمپنی کے حصص میں تجارت کا کوئی پہلو سامنے نہیں آیا ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017ء کے سیکشن (f)(2)227 اور لسٹنگ ضوابط کے تحت درکار شیئر ہولڈنگ کا پیٹرن لف ہذا ہے۔

کاروباری و مالیاتی رپورٹنگ فریم ورک

- انتظامیہ کی جانب سے تیار کردہ نوٹس اور مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، سرمایہ اور ایکویٹی میں تبدیلی کی درست تصویر پیش کرتے ہیں۔
- کمپنی نے کھاتوں کی باقاعدہ کتابیں تیار کر رکھی ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور درست فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں نافذ العمل بین الاقوامی مالیاتی قواعد کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے انحراف (اگر کوئی ہے) کو مناسب انداز میں ظاہر کیا گیا ہے۔
- کمپنی کے آپریٹنگ نتائج میں گذشتہ چھے برس کے دوران نمایاں انحراف کو واضح کیا گیا ہے اور اس کی وجوہات کی قبل ازیں وضاحت کی گئی ہے۔
- ٹیکس، ڈیوٹی، لیوی اور چارجز کی بابت لازمی واجب الادا رقوم کو مالیاتی اسٹیٹمنٹس کے نوٹ 15 میں ظاہر کیا گیا ہے۔
- قرضوں اور دیگر ڈیٹ انسٹرومنٹس کی معلومات جس میں کمپنی نادہندہ ہے یا نادہندہ ہونے والی ہے مالیاتی اسٹیٹمنٹس کے نوٹ-17 میں بیان کی گئی ہیں۔

مستقبل کا منظرنامہ

مذکورہ سال میں فرسٹ کیپٹل ٹاور سابقہ پیس ٹاورز، نمایاں سرمایہ کاری اور پیس سرکل میں حصہ جیسے اہم ڈیولپمنٹ پروجیکٹس کے ذریعے ہم غیر منافع بخش اثاثہ جات کو منافع بخش اثاثہ جات میں تبدیل کر کے کامیابی سے اپنے سرمایہ میں نمایاں اضافہ کرلیں گے۔

بورڈ آف ڈائریکٹرز نے رائٹ حصص کی سبسکرپشن اور رائٹ اجراء کے غیر سبسکرائب شدہ حصے کی سبسکرپشن کے ذریعے پیس برکہ پراپرٹیز میں 1,747 ملین روپے تک کی اضافی ایکویٹی انویسٹمنٹ کی ہے۔

آئندہ برسوں میں چونکہ ہم اپنے کیپٹل سٹرکچر میں بہتری کے لئے کوششیں جاری رکھیں گے لہٰذا موقع ملنے پر ہم مربوط سرمایہ داری کے فیصلے کرنے کے لئے پرعزم ہیں۔

گنجان آباد علاقوں کی پرائم لوکیشن پر واقع پرکشش اثاثہ جات اور املاک اور اپنی عظیم ٹیم کے ساتھ ہم پرامید ہیں کہ سرمایہ دار ہمارے بنیادی اثاثہ جات پر پاکستان کے ریئل اسٹیٹ شعبہ میں بطور معیاری، جدت پسند کمپنی بھرپور توجہ دیں گے جس میں ترقی کے لئے باقاعدہ اور منفرد پلیٹ فارم موجود ہے۔

ہماری لاثانی ٹیم نے مشکل حالات میں غیر معمولی کام کیا ہے اور ہم ان کی انتھک محنت، جذبہ اور کمپنی کے ساتھ وفاداری کو خراج تحسین پیش کرتے ہیں۔

برائے/منجانب بورڈ آف ڈائریکٹرز

04 اکتوبر 2024ء

ڈائریکٹر

چیف ایگزیکٹو آفیسر

FORM 20

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024

[Section 227(2)(f) and Regulation 30]

PATTERN OF SHAREHOLDING

PART-I

(Please complete in typescript or in bold block capitals.)

1.1 Name of the Co PACE (PAKISTAN) LIMITED

PART-II

2.1. Pattern of holding of the shares held by the shareholders as at 30-06-2024

2.2 No. of Shareho	------Shareholdings------ From	To	Total Shares Held
1810	1	100	132,984
882	101	500	373,862
3085	501	1,000	2,084,844
1732	1,001	5,000	4,977,980
660	5,001	10,000	5,457,963
249	10,001	15,000	3,261,083
226	15,001	20,000	4,234,459
124	20,001	25,000	2,916,431
116	25,001	30,000	3,332,327
57	30,001	35,000	1,908,679
57	35,001	40,000	2,219,164
49	40,001	45,000	2,140,865
105	45,001	50,000	5,175,064
31	50,001	55,000	1,639,029
33	55,001	60,000	1,941,526
14	60,001	65,000	883,548
22	65,001	70,000	1,519,335
12	70,001	75,000	885,385
17	75,001	80,000	1,340,500
10	80,001	85,000	825,306
17	85,001	90,000	1,495,853
7	90,001	95,000	653,349
64	95,001	100,000	6,394,000
11	100,001	105,000	1,128,451
5	105,001	110,000	546,500
7	110,001	115,000	789,000
9	115,001	120,000	1,063,104
9	120,001	125,000	1,116,500
6	125,001	130,000	771,511
8	130,001	135,000	1,073,541
5	135,001	140,000	693,501
4	140,001	145,000	571,500
14	145,001	150,000	2,089,059
3	150,001	155,000	458,500
3	155,001	160,000	476,000
2	160,001	165,000	326,500

3	165,001	170,000	500,507
6	170,001	175,000	1,046,500
5	175,001	180,000	888,249
3	180,001	185,000	548,891
3	185,001	190,000	566,500
3	190,001	195,000	584,000
22	195,001	200,000	4,391,500
5	200,001	205,000	1,008,507
5	205,001	210,000	1,044,500
1	210,001	215,000	212,246
2	215,001	220,000	436,000
4	220,001	225,000	898,500
2	225,001	230,000	454,500
2	230,001	235,000	462,500
3	235,001	240,000	714,222
6	245,001	250,000	1,495,500
1	250,001	255,000	250,500
3	255,001	260,000	776,500
2	260,001	265,000	524,500
1	265,001	270,000	268,000
1	270,001	275,000	275,000
1	275,001	280,000	278,000
2	280,001	285,000	561,000
1	285,001	290,000	289,500
9	295,001	300,000	2,700,000
1	300,001	305,000	305,000
1	315,001	320,000	317,000
1	335,001	340,000	340,000
2	345,001	350,000	700,000
1	350,001	355,000	350,500
1	360,001	365,000	363,906
1	365,001	370,000	366,000
1	375,001	380,000	375,211
1	385,001	390,000	386,501
1	390,001	395,000	395,000
6	395,001	400,000	2,399,000
1	400,001	405,000	404,200
1	405,001	410,000	408,000
5	415,001	420,000	2,085,691
2	420,001	425,000	846,100
2	425,001	430,000	853,857
2	435,001	440,000	875,083
1	440,001	445,000	444,000
1	450,001	455,000	453,000
2	460,001	465,000	928,838
1	465,001	470,000	465,500
1	470,001	475,000	475,000
5	495,001	500,000	2,500,000
1	510,001	515,000	512,000
1	515,001	520,000	517,000
1	525,001	530,000	525,500
1	530,001	535,000	535,000
1	535,001	540,000	539,387
1	590,001	595,000	594,000
3	595,001	600,000	1,800,000
1	600,001	605,000	605,000
2	645,001	650,000	1,300,000
1	655,001	660,000	659,000

1	670,001	675,000	675,000
1	695,001	700,000	700,000
2	700,001	705,000	1,404,500
2	710,001	715,000	1,427,628
1	715,001	720,000	715,500
1	725,001	730,000	729,500
1	730,001	735,000	732,000
1	795,001	800,000	800,000
1	805,001	810,000	806,500
1	810,001	815,000	814,082
9	830,001	835,000	7,496,683
1	845,001	850,000	850,000
1	870,001	875,000	874,258
1	875,001	880,000	880,000
1	895,001	900,000	900,000
1	905,001	910,000	910,000
1	930,001	935,000	930,500
1	945,001	950,000	950,000
2	995,001	1,000,000	2,000,000
1	1,025,001	1,030,000	1,029,000
2	1,045,001	1,050,000	2,099,933
1	1,070,001	1,075,000	1,071,170
2	1,095,001	1,100,000	2,200,000
1	1,160,001	1,165,000	1,162,500
1	1,245,001	1,250,000	1,250,000
1	1,250,001	1,255,000	1,254,500
1	1,375,001	1,380,000	1,375,103
1	1,385,001	1,390,000	1,390,000
1	1,405,001	1,410,000	1,405,500
1	1,790,001	1,795,000	1,794,000
1	1,910,001	1,915,000	1,913,500
1	1,995,001	2,000,000	2,000,000
2	2,145,001	2,150,000	4,300,000
1	2,390,001	2,395,000	2,390,268
1	2,495,001	2,500,000	2,500,000
1	2,870,001	2,875,000	2,870,499
1	2,885,001	2,890,000	2,888,000
1	3,295,001	3,300,000	3,300,000
1	3,905,001	3,910,000	3,910,000
1	4,295,001	4,300,000	4,300,000
1	4,425,001	4,430,000	4,426,200
1	4,565,001	4,570,000	4,569,194
1	7,035,001	7,040,000	7,036,415
1	11,105,001	11,110,000	11,109,411
1	18,685,001	18,690,000	18,688,500
1	21,800,001	21,805,000	21,803,661
1	27,545,001	27,550,000	27,546,000
9,676	Total		**278,876,604**

2.3	Categories of shareholders	Share held	Percenage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.	556,648	0.20
2.3.2	Associated Companies, undertakings . and related parties	42,647,915	15.29
2.3.3	NIT and ICP	425,716	0.15
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	1,250,587	0.45
2.3.5	Insurance Companies	375,711	0.13
2.3.6	Modarabas and Mutual Funds	-	-
2.3.7	Share holders holding 10%	-	-
2.3.8	General Public		
	a. Local	189,463,416	67.94
	b. Foreign	9,531,982	3.42
2.3.9	Others (to be specified)		

JOINT STOCK COMPANIES

MUHAMMAD AMER RIAZ SECURITIES (PVT) LTD. (CDC)	1,000	0.00
LSE FINANCIAL SERVICES LIMITED (CDC)	349	0.00
WTL SERVICES (PVT) LIMITED (CDC)	40,000	0.01
ABA ALI HABIB SECURITIES (PVT) LIMITED (CDC)	2,000	0.00
ALI USMAN STOCK BROKERAGE (PVT) LIMITED (CDC)	12	0.00
ARIF HABIB LIMIYED - MF (CDC)	81,000	0.03
ASDA SECURITIES (PVT.) LTD. (CDC)	50,000	0.02
AZEE SECURITIES (PRIVATE) LIMITED (CDC)	500	0.00
CAPITAL FINANCIAL SERVICES (PVT.) LIMITED (CDC)	250,000	0.09
CAPITAL VISION SECURITIES (PVT) LTD. (CDC)	8,363	0.00
DALAL SECURITIES (PVT) LTD. (CDC)	50,000	0.02
DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED (CDC)	3,087	0.00
G.R. SECURITIES (SMC - PRIVATE) LIMITED (CDC)	2,000	0.00
IMPERIAL INVESTMENT (PVT) LTD. (CDC)	39,500	0.01
K & I GLOBAL CAPITAL (PRIVATE) LIMITED (CDC)	261,000	0.09
M/S. SASL TRADING (PRIVATE) LIMITED (CDC)	15,000	0.01
MAM SECURITIES (PVT) LIMITED (CDC)	1	0.00
MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.00
MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED (CE	31	0.00
NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	1,049,933	0.38
NCC-RETRIEVAL ACCOUNT (CDC)	14	0.00
NCC-SQUARING-UP ACCOUNT (CDC)	500	0.00
NINI SECURITIES (PRIVATE) LIMITED (CDC)	55,000	0.02
PRUDENTIAL SECURITIES LIMITED (CDC)	176	0.00
PRUDENTIAL SECURITIES LIMITED (CDC)	81	0.00
RAFI SECURITIES (PRIVATE) LIMITED (CDC)	190,000	0.07
SAAO CAPITAL (PVT) LIMITED (CDC)	258,000	0.09
SALMAN CAPITAL INVESTMENTS (PVT) LIMITED (CDC)	80	0.00

SHAFFI SECURITIES (PVT) LIMITED (CDC)	47,000	0.02
SOFCOM (PRIVATE) LIMITED (CDC)	5,000	0.00
SPINZER EQUITIES (PRIVATE) LIMITED (CDC)	60,000	0.02
WORLCALL TELECOM LIMITED (CDC)	834,411	0.30
WORLCALL TELECOM LTD (CDC)	4,549,194	1.63
WTL SERVICES (PRIVATE) LIMITED (CDC)	4,774,782	1.71
YASIR MAHMOOD SECURITIES (PVT.) LIMITED (CDC)	38,500	0.01
ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD. (CDC)	1,018	0.00
	12,667,533	4.54

FOREIGN COMPANIES

PIONEER SERVICES LIMITED	21,803,661	7.82
	21,803,661	7.82

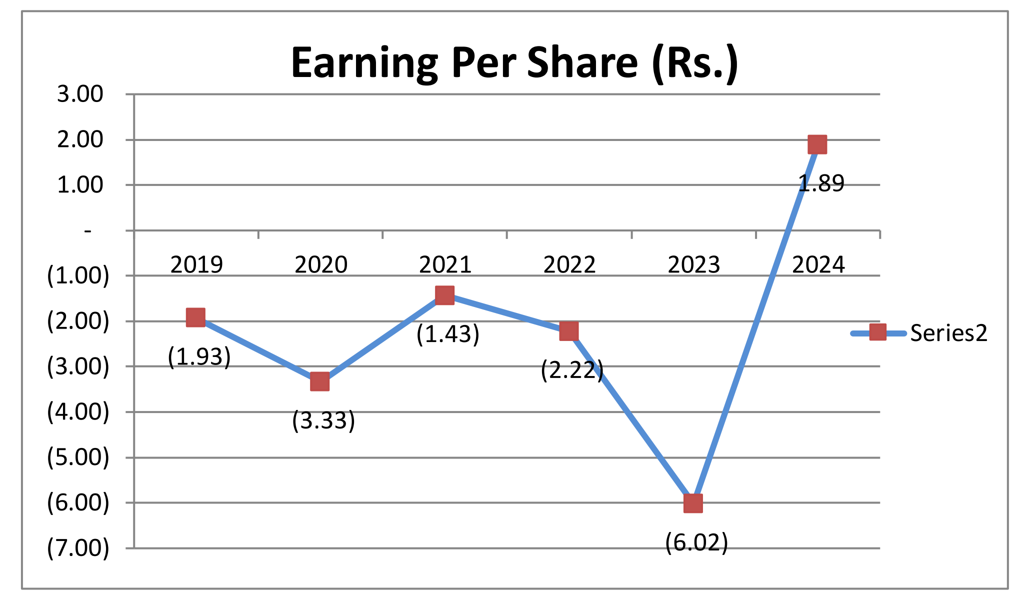
OTHERS

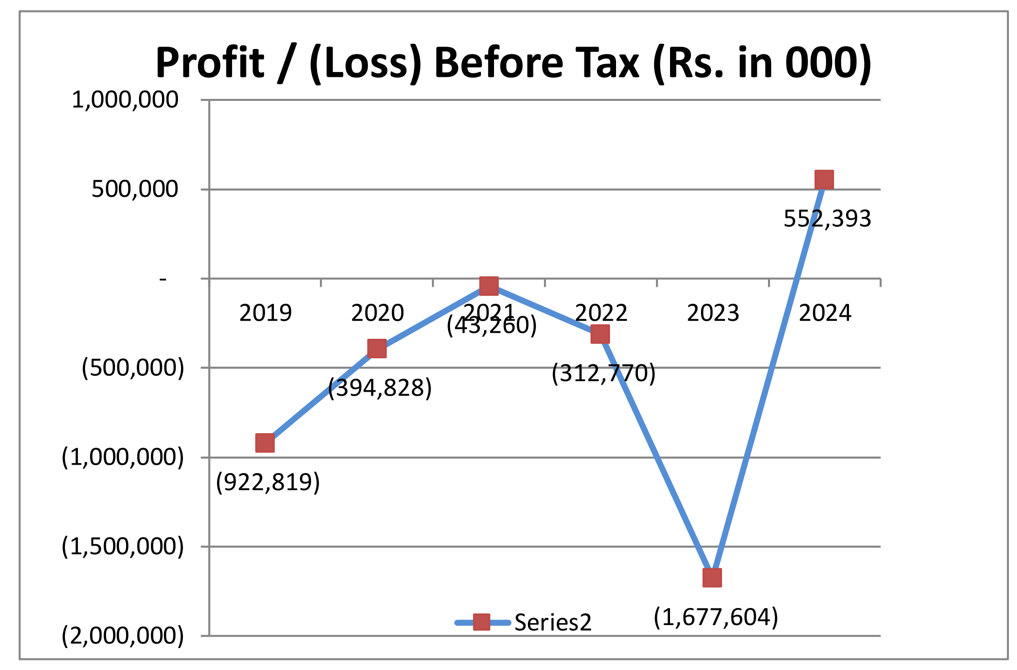
AHMED GHARIB FOUNDATION	3,435	0.00
ALOO & MINOCHER DINSHAW CHARITABLE TRUST (CDC)	100,000	0.04
CAPITAL DEVELOPMENT AUTHORITY (CDC)	50,000	0.02
	153,435	0.06

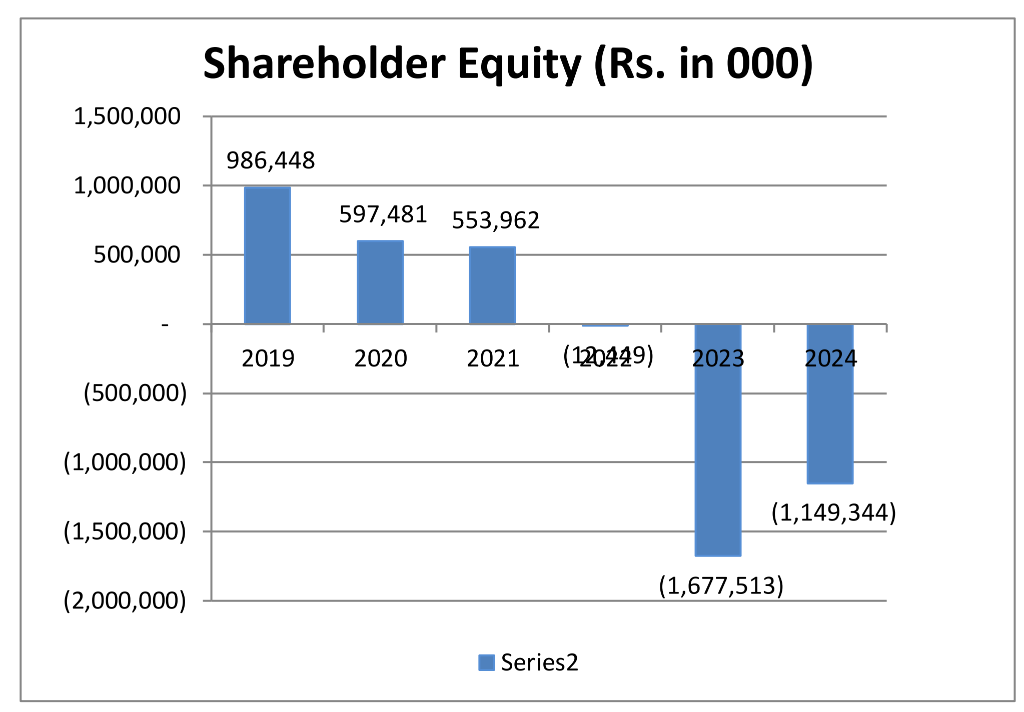
TOTAL PAID UP CAPITAL	278,876,604	100.00

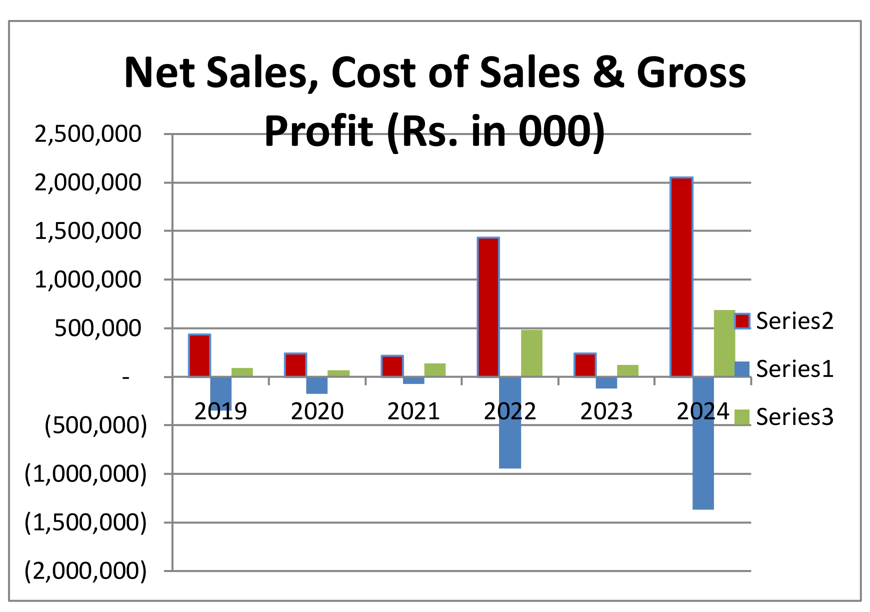
Pace (Pakistan) Limited
KEY OPERATING AND FINANCIAL INDICATORS

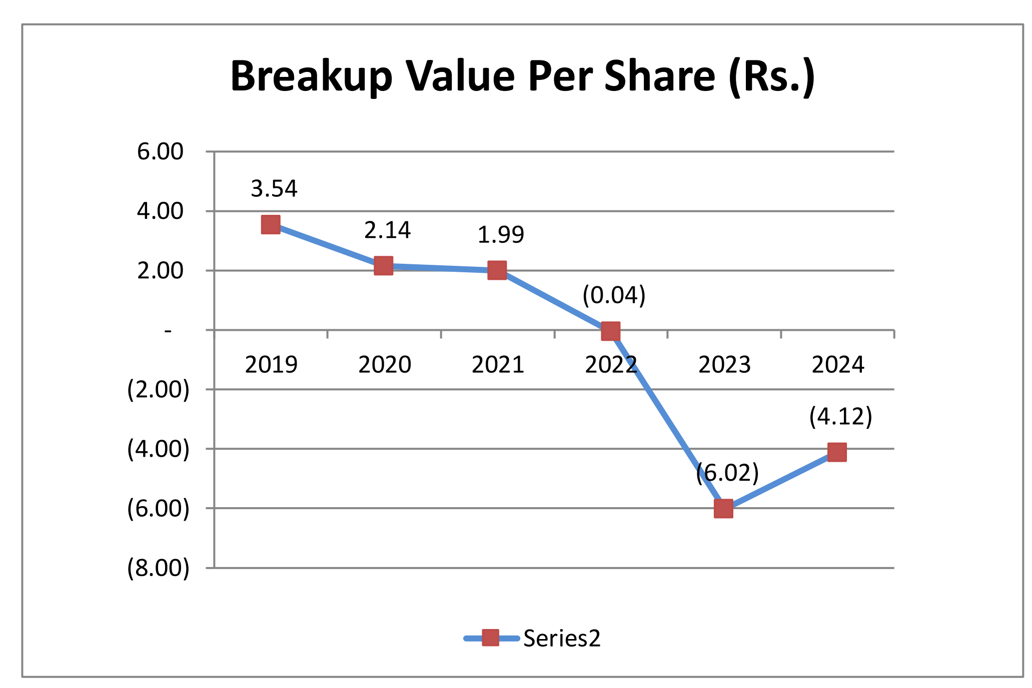
KEY INDICATORS		Rupees in thousands					
		2019	2020	2021	2022	2023	2024
Operating result							
Net Sales		440,345	244,124	214,024	1,435,510	241,809	2,056,244
Cost of Sales		(346,475)	(177,674)	(75,761)	(948,043)	(118,789)	(1,364,947)
Gross profit/(loss)		93,870	66,450	138,263	487,467	123,020	691,297
Profit / (loss) from operation		(65,403)	(173,884)	(70,896)	525,570	(85,153)	632,161
Profit / (loss) before tax		(922,819)	(394,828)	(43,260)	(312,770)	(1,677,604)	552,393
Profit /(loss)after tax		(929,252)	(397,879)	(46,322)	(312,770)	(1,677,604)	526,690
Financial Position							
Shareholder's equity		986,448	597,481	553,962	(12,449)	(1,677,513)	(1,149,344)
Property,plant & Equipment		468,464	601,264	570,607	568,813	540,192	527,918
Net current assets		(1,923,502)	(2,434,476)	(2,269,322)	(3,514,749)	(5,249,870)	(6,089,118)
Profitability							
Gross profit /(loss)	%	21.32	27.22	64.60	33.96	50.87	33.62
Operating profit /(loss)	%	(14.85)	(71.23)	(33.13)	36.61	(35.21)	30.74
Profit /(loss) before tax	%	(209.57)	(161.73)	(20.21)	(21.79)	(693.77)	26.86
Profit /(loss) after tax	%	(211.03)	(162.98)	(21.64)	(21.79)	(693.77)	25.61
Performance							
Fixed assets turnover	Times	0.94	0.41	0.38	2.52	0.45	3.90
Return on equity	%	(94.20)	(50.24)	(8.05)	(115.52)	(198.54)	37.26
Return on capital employed	%	(3.25)	(22.29)	(9.64)	122.06	(5.76)	66.84
Liquidity							
Current Ratio	Times	0.67	0.61	0.63	0.47	0.37	0.27
Quick	Times	0.19	0.15	0.15	0.13	0.06	0.11
Valuation							
Earning per share	Rs	(1.93)	(3.33)	(1.43)	(2.22)	(6.02)	1.89
Break up vale per share	Rs	3.54	2.14	1.99	(0.04)	(6.02)	(4.12)

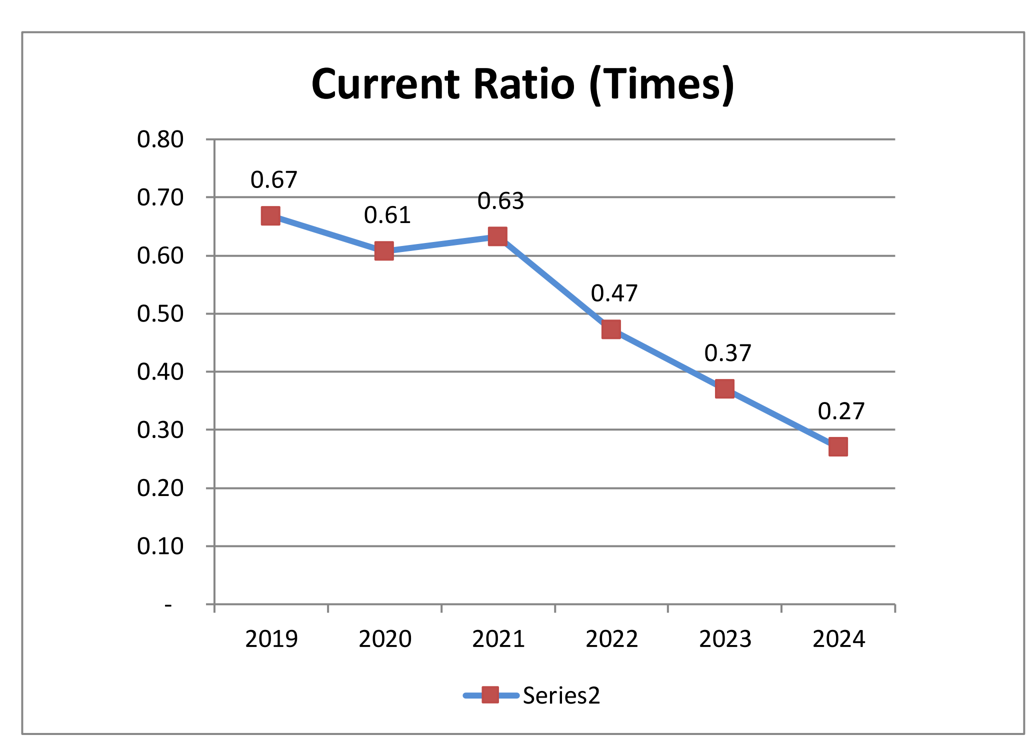












STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

PACE (PAKISTAN) LIMITED

FOR THE YEAR ENDED JUNE 30 2024

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

1.	The total number of directors are seven as per the following:	
a.	Male:	05
b.	Female:	02
2.	The composition of board is as follows:	
(i)	Independent Directors (*)	02
(ii)	Other Non-Executive Directors	02
(iii)	Executive Directors (**)	03
(iv)	Female Directors	02
(*)	The Board of Directors are of the view that the expertise and experience of 02 Independent Directors are sufficient to perform their relevant role & responsibilities required under the provision of Code of Corporate Governance and law, therefore rounding up is not needed.	
(**)	Currently, three Directors of the Company devotes their whole or substantially the whole time, therefore have categorized as Executive Directors	
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The Board have formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	The Board has arranged Directors' Training program for the following:	
	(Name of Director)	Mrs. Aamna Taseer
		Mr. Shahbaz Ali Taseer
		Mr. Shehryar Ali Taseer
		Miss. Shehrbano Taseer
		Mr. Sikander Rashid Choudry
	(Name of Executive & Designation (if applicable)	Shahzad Jawahar, Chief Compliance Officer
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.	CFO and CEO duly endorsed the financial statements before approval of the board.		
12.	The board has formed committees comprising of members given below:		
a.	Audit Committee (Name of members and Chairman)	Mr. Shaves Ahmad (Chairman) Miss. Shehrbano Taseer (Member) Mr. Sikander Rashid Choudry (Member)	
b.	HR and Remuneration Committee (Name of members and Chairman)	Mr. Shavez Ahmad (Chairman) Mrs. Aamna Taseer (Member) Miss. Shehrbano Taseer (Member)	
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A	
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	Mr. Umair Fakhar Alam (Chairman) Mrs. Aamna Taseer (member) Mr. Shehryar Ali Taseer (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 committee were as per following:		
a	Audit Committee	06	
b	HR and Remuneration Committee	01	
c	Nomination Committee (if applicable)	N/A	
d	Risk Management Committee	01	
15.	The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;		
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company		
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.		
18.	We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.		
19.	Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27,32, 33 and 36 are below		
	Regulation	**Requirement**	**Explanation**
	Regulation 29	The Board may constitute a separate committee, designed as the nomination committee for considering and making recommendations to the Board in respect of the Board's committees and the chairmanship of the Board's committees	The responsibilities prescribed for the nomination committee are being taken care of at Board level on need bases so a separate committee is not considered to be necessary
	Regulation 19 (2)	A newly appointed director	Mr. Sikander Rashid

		on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board	Choudry has completed Directors Training program and Mr. Shavez Ahmed is in process of acquiring the certification to comply the regulation.
	Regulation 10A (5)	The Board may establish a dedicated sustainability Committee or assign additional responsibilities to an existing Board Committee.	The Company in order to effectively discharge its sustainability related issues has assigned additional responsibilities to Risk Management Committee.

For and on behalf of the Board

Sikander Rashid Choudry
Chairman
Lahore
Date: 04 October 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACE PAKISTAN LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pace Pakistan Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instance of non-Compliance with the requirement of Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

	Paragraph Reference	Description
(i)	09	All Company's Director must have director's training certificate as specified in the section 19 (2) of Regulation has not been complied with.

Junaidy Shoaib Asad
Junaidy Shoaib Asad
Chartered Accountants
Lahore.

UDIN: CR2024101961Xqh7gmtS
Dated: 04 October, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Pace (Pakistan) Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of ***Pace (Pakistan) Limited*** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, (here-in-after referred to as "the unconsolidated financial statements") and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to Note 2 to the unconsolidated financial statements, which indicates that the Company has accumulated losses amounting Rs 4,258.41 million as at June 30, 2024 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 6,089.12 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern Section,* we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Revenue** Refer to notes 6.15 and 30 to the unconsolidated financial statements. The Company recognized revenue of Rs. 2,056.244 million during the year ended June 30, 2024, being both at a point in time and over the time depending on the nature of contracts with customer We identified recognition of revenue as a key audit matter because it involves the use of significant judgement to evaluate whether the contracts has commercial substance or not. Further it involves judgement in evaluating whether collectability of an amount of consideration is probable. Further there is an inherent risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to revenue recognition and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; and • performing test of details procedures over revenue recorded and cost incurred on project during the year; • evaluating the adequacy of financial disclosures, including disclosures of key assumptions and judgements; • proposing adjustment for revenue recorded, where collectability of consideration is less then probable; • scanning for any manual journal entries relating to revenue recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation
2	**Valuation of investment property** Refer to notes 6.4 and 20 to the unconsolidated financial statements. As at 30 June 2024, the carrying value of investment properties was at Rs 1,887.815 million The company has adopted the fair value model for	Our procedures included, but were not limited to; • assessing the design and implementation of the controls over the valuation of investment property and measurement of right of use asset classified in investment property; • Obtaining an understanding of evaluation process and assumption which the valuer has

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	valuation of its investment properties. Under this said model it is required to measure all investment properties at fair value at each reporting date. Changes in fair value are recognized in unconsolidated statement of profit and loss We considered this as key audit matter due to the significant carrying value of investment properties and significant judgements estimations involved in determining the fair value	adopted to assess if they are consistent with the industry norms, market condition and general prevailing economic circumstances • Confirming the valuation approach was in accordance with the International Financial reporting standards and suitable for use in determining the fair value of properties classified as Investment property; • recalculating the fair value gain/loss on investment property during the year; • Assessing the valuer's competence and capabilities • Evaluating the adequacy of disclosures in the financial statements, including the disclosures in the financial statements, including disclosures of key assumptions and judgements.

Information Other than unconsolidated 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 for the year ended June 30, 2024, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

We also provide the board of directors 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, we determine those matters that were of most significance in the audit of the unconsolidated 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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shoaib Ahmad Waseem.

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Lahore
UDIN: AR202410196xzLTKS4wX
Date: 04 OCT 2024

Pace (Pakistan) Limited
Unconsolidated Statement of Financial Position
As at 30th June 2024

EQUITY AND LIABILITIES	Note	2024	2023
		--- (Rupees in thousand) ---	
Share capital and reserves			
Authorised capital	7	6,000,000	6,000,000
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766
Share premium	7	273,265	273,265
Revaluation Surplus		47,037	47,037
Accumulated loss		(4,258,412)	(4,786,581)
		(1,149,344)	(1,677,513)
Non-current liabilities			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	149,660	149,662
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	53,900	49,157
		203,560	198,819
Current liabilities			
Contract liability	13	254,348	247,894
Current maturity of long term liabilities	14	5,765,448	5,933,174
Creditors, accrued and other liabilities	15	763,475	820,987
Accrued finance cost	16	1,546,024	1,348,745
		8,329,295	8,350,800
Contingencies and commitments	17	-	-
		7,383,511	6,872,106

ASSETS	Note	2024	2023
		--- (Rupees in thousand) ---	
Non-current assets			
Property, plant and equipment	18	527,918	540,192
Intangible assets	19	1,993	2,493
Investment property	20	1,887,815	1,898,694
Lease Receivable	21	113,890	109,040
Contract Asset		-	356,817
Long term investments	22	2,598,099	850,321
Long term advances and deposits	23	13,619	13,619
Deferred taxation	24	-	-
		5,143,334	3,771,176
Current assets			
Stock-in-trade	25	1,213,917	2,441,656
Trade debts	26	859,644	518,936
Advances, deposits, prepayments and other receivables	27	107,318	85,709
Lease Receivable	21	6,336	5,702
Income tax refundable - net	28	20,552	29,291
Cash and bank balances	29	32,410	19,636
		2,240,177	3,100,930
		7,383,511	6,872,106

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

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

Pace (Pakistan) Limited
Unconsolidated Statement of Profit or Loss
For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Revenue	30	2,056,244	241,809
Cost of Revenue	31	(1,364,947)	(118,789)
Gross Profit		691,297	123,020
Administrative and selling expenses	32	(252,375)	(328,804)
Other income	33	193,239	120,632
Other expenses		-	-
Profit/ (Loss) from operations		632,161	(85,153)
Finance cost	34	(222,406)	(182,541)
Exchange gain/ (loss) on foreign currency convertible bonds	11.2	153,517	(1,421,449)
Gain / (Loss) from change in fair value of investment property		(10,879)	14,562
Profit / (Loss) before income tax and minimum taxes		552,393	(1,674,581)
Minimum Tax	35	(25,703)	(3,023)
Profit/(Loss) before income tax		526,690	(1,677,604)
Taxation	36	-	-
Profit / (Loss) after Taxation		526,690	(1,677,604)
Profit / (Loss) per share - basic and diluted	37	1.89	(6.02)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Pace (Pakistan) Limited
Unconsolidated Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Profit / (loss) for the year		**526,690**	(1,677,604)
<u>Other comprehensive income for the year</u>			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of net defined benefit liability	*12*	**1,479**	6,270
Revaluation Surplus on transfer		**-**	-
Total comprehensive income / (loss) for the year		**528,169**	(1,671,334)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

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

Pace (Pakistan) Limited
Unconsolidated Statement of Changes In Equity
For the year ended 30 June 2024

	Issued, subscribed and paid-up capital	Capital reserve: Share premium	Capital reserve: Revaluation Surplus	Revenue reserve: Accumulated loss	Total
	--- (Rupees in thousand) ---				
Balance as at 30 June 2022	2,788,766	273,265	47,037	(3,115,248)	(6,180)
Total comprehensive loss for the year ended 30 June 2023					
Loss after taxation	-	-	-	(1,677,604)	(1,677,604)
Other comprehensive income	-	-	-	6,270	6,270
	-	-	-	(1,671,334)	(1,671,334)
Balance as at 30 June 2023	**2,788,766**	**273,265**	**47,037**	**(4,786,581)**	**(1,677,513)**
Total comprehensive income for the year ended 30 June 2024					
Profit after taxation	-	-	-	526,690	526,690
Other comprehensive income	-	-	-	1,479	1,479
	-	-	-	**528,169**	**528,169**
Balance as at 30 June 2024	**2,788,766**	**273,265**	**47,037**	**(4,258,412)**	**(1,149,344)**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

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

Pace (Pakistan) Limited
Unconsolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Cash flows from operating activities			
Cash generated in operations	38	**1,804,756**	115,514
Gratuity paid		-	(700)
Taxes paid		**(16,964)**	(12,405)
Net cash generated from operating activities		**1,787,792**	**102,409**
Cash flow from investing activities			
Purchase of property, plant and equipment		**(11,123)**	-
Addition in Capital work in progress		-	-
Proceeds from disposal of property, plant and equipment		-	-
Purchase of Investment Property		-	(80,894)
Investment in subsidiaries	22	**(1,748,426)**	-
Income on bank deposits received	33	**1,468**	120
Net cash used in investing activities		**(1,758,081)**	(80,774)
Cash flow from financing activities			
Long term loan paid during the year		**(8,165)**	(10,573)
Payments of lease liability		**(8,771)**	(13,860)
Net cash used in financing activities		**(16,936)**	(24,433)
Net increase/ (decrease) in cash and cash equivalents		**12,774**	**(2,797)**
Cash and cash equivalents - at beginning of the year		**19,636**	22,433
Cash and cash equivalents - at end of the year	39	**32,410**	**19,636**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

1 The Company and its operations

1.1 Pace (Pakistan) Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

2 Going Concern Assumption

The Company has earned profit before income tax of Rs. 526.69 million (2023: loss of Rs. 1,677.604 million). Generation of profit is mainly driven by sale of inventory at Lahore and Islamabad locations and through exchange gain of Rs. 153.5 million in 2024 versus exchange loss of Rs. 1.421 million in year 2023 on the foreign currency convertible bonds issued by the Company.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 6,089.12 million (2023: Rs. 5,249.87 million), and accumulated losses of the Company stand at Rs. 4,258.41 million (2023: Rs. 4,786.58 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. These conditions indicate the existence of a material uncertainity related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of the business.

During the current year, the Company has achieved substantial growth in terms of sale and completion of its on going projects. The Company has materially completed its Pace Tower project. The management of the Company is also trying to increase revenue through renting out vacant spaces available at different floors of projects on co-working space basis. The Company has also started sale of its allocated unit in Shadman project through zameen.com, one of the leading real estate sale agency of Pakistan. In addition, company has saleable inventory in the form of remaining Islamabad plots, the palm and various shops in pace shopping malls.

Furthermore, the Chief Executive, Mrs. Aamna Taseer and Directors, Mr. Shahbaz Ali Taseer and Mr. Shehryar Ali Taseer have jointly provided a letter of support dated 8 September 2024 to the Company wherein they have committed to support the Company to continue as a going concern.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/ settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

3 Basis of preparation

3.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared separately.

The Company has following investments:

Subsidiaries	Country of incorporation	Shareholding
Pace Gujrat (Private) Limited	Pakistan	100%
Pace Super Mall (Private) Limited	Pakistan	56.79%
Pace Woodland (Private) Limited	Pakistan	52.00%
Pace Barka Properties Limited	Pakistan	52.21%
Pace Multiplierz (Private) Limited	Pakistan	100%

The principal activity of all the subsidiaries is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades, develop, sell rent out shopping malls, apartments, villas, commercial buildings, etc. and to carry on business of hospitality.

3.2 Statement of compliance

These unconsolidated 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 (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Investment property which is measured at fair value; and
- Retirement benefits at present value.

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

4 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation

Amendments to accounting and reporting standards and interpretations which are effective during the year ended June 30, 2024

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IAS 21 - Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025
- IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
- IFRS 19 - Subsidiaries without Public Accountability	January 1, 2027
- IFRS 18 - Presentation and Disclosures in Financial Statements	January 1, 2027
- IFRS 17 Insurance Contracts (Notified by SECP for the period commencing from 1st January 2026)	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

5 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions 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 circumstances, and the results of which form the basis for making judgment about carrying value 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 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.

The areas where assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Estimates

	Note
- Provision for taxation	*6.1*
- Property, plant and equipment	*6.2*
- Intangibles	*6.3*
- Investment property valuation	*6.4*
- Stock-in-trade	*6.6*
- Employee benefits	*6.13*
- Measurement of ECL allowance for trade debts and other receivables (financial assets)	*6.16.5*
- Impairment on non-financial assets	*6.17*
- Contingent liabilities	*6.18*

5.2 Judgements

- Costs to complete the projects	*6.6*
- Satisfaction of performance obligations	*6.15*

6 Significant accounting policies

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

6.1 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

6.2 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except for freehold land which is stated at cost less any identified impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Major repairs and improvements are capitalized. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Depreciation on owned assets is charged to the statement of profit or loss on the reducing balance method except for building on leasehold land which is being depreciated using straight line method, so as to write off the cost of an asset over its estimated useful life at the annual rates given in note 18.1.

Depreciation on additions to property, plant and equipment is charged from the date on which an asset is available for use is intended by the management and ceased when asset is derecognized.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. The revaluation surplus included in equity in respect of an item of property, plant and equipments is transfered directly to retained earning when the asset is derecognised.

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis at the rates specified in note 18.3 to the financial statements.

Capital work in progress

Capital work in progress is stated at cost, less any identified impairment loss. Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for intended use.

6.3 Intangible assets

Computer Software

Expenditure incurred to acquire computer software is capitalized as an intangible asset and stated at cost less accumulated amortization (for finite useful life of intangible asset) and any identified impairment loss. Amortization is charged to statement of profit or loss on reducing balance method at an annual rate of 10% except optical fiber, as to write off the cost over its estimated useful life.

Optical Fiber

Expenditure incurred to acquire the rights to use optical fiber are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Amortization is charged to statement of profit or loss on straight line basis method at an annual rate of 5%, as to write off the cost over its estimated useful life.

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The Company reviews the rate of amortization and value of intangible assets for possible impairment, on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding effect on the amortization charge and impairment.

6.4 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at fair value. Changes in fair value are recognized in statement of profit or loss.

If an item of property, plant and equipment becomes an investment property because its use has been changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation reserve for investment property. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in statement of profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the statement of profit or loss.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

6.5 Investments

6.5.1 Investment in equity instruments of subsidiary companies

Investment in subsidiary companies is measured at cost in the Company's separate financial statements, as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

6.5.2 Investments in equity instruments of associated companies

Associates are all entities over which the Company has significant influence but no control. Investments in associates are measured at cost less any identified impairment loss if any in the Company's separate financial statements. However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense.

6.6 Stock-in-trade

Land, condominiums, shops / counters and villas available for future sale are classified as stock-in-trade. These are carried at the lower of cost and net realizable value. Work-in-process comprises of condominiums, shops / counters and villas in the process of construction / development. Cost in relation to work-in-process comprises of proportionate cost of land, cost of direct materials, labor and appropriate overheads. Cost in relation to shops transferred from investment property is the fair value of the shops on the date of transfer and any subsequent expenditures incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

The Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include the cost of providing infrastructure activities, potential claims by sub contractors and the cost of meeting the contractual obligation to the customers. The company engages an expert to assist in determining the cost of completion.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

6.7 Trade debts

Trade debts and other receivables are classified at amortized cost and are measured at invoice value less impairment allowance, if any. Trade debts where the ownership of the work in progress is transferred by the Company to the buyer as the construction progresses is recognized using the percentage of completion method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years and loss given default. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

6.8 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

6.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, call deposits receipts, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and short term finance.

6.10 Borrowings

Borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

6.11 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated again at the reporting date.

6.12 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant and equipment and investment properties' based on their use and lease liabilities as separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

6.13 Employee benefits

The Company operates an unfunded gratuity plan covering all of its eligible employees who have completed the minimum qualifying period. The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year other than on account of experience adjustment is included in statement of profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then - net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

The Company provides for accumulating compensated absences when the employees render service that increase the entitlement to future compensated absences. Under the rules all employees are entitled to 20 days leave per year respectively. Unutilised leaves can be accumulated upto unlimited amount. Unutilised leaves can be used at any time by all employees, subject to the Company's approval.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss.

6.14 Creditors, accruals and other liabilities

Creditors, accruals and other liabilities 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 Company. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Provisions are recognized when the Company 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 can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.15 Revenue recognition

6.15.1 Revenue from contracts with customers

The Company recognizes revenue when it transfers control over a good or service to a customer based on a five step model as set out in IFRS 15.

Step 1: **Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: **Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: **Determine the transaction price:** The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: **Recognize revenue when (or as) the Company satisfies a performance obligation.**

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements except for service income earned on security, janitorial maintenance, administration and other utilities.

Development services - sale of completed units

Revenue from rendering of development management services is recognized when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

The Company has elected to apply the input method. The Company considers that the use of input method, which requires revenue recognition on the basis of the Company's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned.

Sale of property

Revenue from sale of land, condominiums, shops / counters and villas is recognized at point in time- when the control has been transferred to the customer. The control is usually transferred when possession is handed over to the customer.

Display of advertisements

Advertisement income is received by the Company against available space in company's property provided to the customer for advertisement purpose. Income from display of advertisements is recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company as the Company performs.

Service charges

Service charges are recognized in the accounting period in which services are rendered. Service income in respect of security, janitorial maintenance, administration and other utilities is presented on net basis.

6.15.2 Other revenue

Rental income from lease of investment property

Rental income arising from operating leases on investment properties is charged based on area lease out and recognized, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

6.16 Financial instruments

6.16.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.16.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ('FVOCI') – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets at amortized cost.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

6.16.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

6.16.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

6.16.5 Impairment

The Company recognizes loss allowances for Expected Credit Losses ("ECLs") in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6.17 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

6.18 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present 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.

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

6.19 Dividend

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which it is declared by the Company's shareholders.

6.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	2024	2023	**2024**	2023
	--- (Rupees in thousand) ---		**--- (Number of Shares) ---**	
7 Share capital and reserves				
7.1 Authorised capital				
Ordinary shares of Rs. 10 each	**6,000,000**	6,000,000	**600,000,000**	600,000,000
7.2 Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each fully paid in cash	**2,017,045**	2,017,045	**201,704,516**	201,704,516
Ordinary shares of Rs. 10 each issued as bonus shares	**771,721**	771,721	**77,172,088**	77,172,088
	2,788,766	2,788,766	**278,876,604**	278,876,604

7.3 Ordinary shares of the Company held by associated undertakings are as follows:

	Basis of Relationship	**2024**	2023
		--- (Number of Shares) ---	
First Capital Securities Corporation Limited	Common Directorship	**7,504,915**	7,504,915
First Capital Equities Limited	Common Directorship	**7,600,000**	7,600,000
		15,104,915	15,104,915

7.4 There has been no movement in ordinary share capital issued, subscribed and paid-up during the year ended 30 June 2024.

	2024	2023
	--- (Rupees in thousand) ---	
7.5 Share premium		
Share premium reserve	**273,265**	273,265

This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.

	Note	**2024**	2023
		--- (Rupees in thousand) ---	
8 Long term finances - secured			
PAIR Investment Company Limited	*8.1*	**58,695**	66,860
Less: Current maturity presented under current liabilities		**(58,695)**	(66,860)
Non Current portion		**-**	-

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8.1 PAIR Investment Company Limited

On 28 December 2016, PAIR Investment Company Limited ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

8.1.1 Terms of repayment

In accordance with the settlement agreement, the remaining outstanding mark-up of Rs. 66.86 million has been rescheduled and is payable over a period of 7 years with no mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly instalments. Amortized cost had been determined using effective interest rate of 6% per annum. Movement is as follows:

	Note	2024	2023
		--- (Rupees in thousand) ---	
As at beginning of the year		**66,860**	66,860
Adjustment on account of service charges		**(8,165)**	-
Adjustment on account of default	*8.1.2.1*	**-**	-
As at end of the year		**58,695**	**66,860**

8.1.2 Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.86 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops / counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.67 million.

8.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly instalment was due on 01 January 2020. Company made a default in repayment of the instalment and no repayment was made till 30 June 2022. Pace, through its letter dated 17 July 2020, requested PAIR to defer the repayment plan for 24 months. However, no response from PAIR is received yet. Accordingly, we have classified the total balance outstanding as current liability as per the requirements of IAS 1 "Presentation of Financial Statement".

	Note	2024	2023
		--- (Rupees in thousand) ---	
9 Redeemable capital - secured (non-participatory)			
Term finance certificates	9.1	**(805,118)**	815,691
Settlement during the year		**-**	(10,573)
		(805,118)	(805,118)
Less: Current maturity presented under current liabilities		**805,118**	805,118
Non Current portion		**-**	-

9.1 Terms finance certificate

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73% , through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (2021: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During 2020, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to appraise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 and has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal was shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Company's properties situated at 124/E-1, Main Boulevard Gulberg III, Lahore, 38-A and 39 Block P, Model Town, Lahore, G.T. Road Gujrat, G.T. Road, Gujranwala, and first exclusive hypothecation charge over certain specific fixed assets, to the extent of Rs.2,000 million.

	Note	2024	2023
		--- (Rupees in thousand) ---	
10 Lease liability			
Present value of lease payments	10.1	**172,776**	178,822
Less: Current portion shown under current liabilities		**(23,116)**	(29,160)
		149,660	149,662
Movement during the year is as follows:			
Opening balance as at 01 July		**178,822**	183,668
Additions during the year		**-**	-
Unwinding of notional interest		**24,838**	24,733
Reclassified to accrued liabilities		**(22,112)**	(15,720)
Settlement of lease liability		**-**	(4,567)
Lease rentals paid		**(8,771)**	(9,294)
Closing balance as at 30 June		**172,776**	178,822

10.1 On 17 October 2018, Orix Leasing Company ('plaintiff') has filed a case in Banking Court VII against Pace (Pakistan) Limited ('the Company'). The plaintiff filed a suit claiming an amount of Rs. 47.10 million on account of loss in business of the plaintiff. The amount claimed by the plaintiff has already been booked in these financial statements. However, during the previous year, the Company has settled the matter with plaintiff by offering the full and final settlement amount of Rs. 12 million which the plaintiff has accepted. During the current year, total amount has been paid.

	Note	2024	2023
		--- (Rupees in thousand) ---	
11 Foreign currency convertible bonds - unsecured			
Opening balance		**5,032,036**	3,610,587
Mark-up accrued during the year		**-**	-
		5,032,036	3,610,587
Exchange loss/ (gain) for the year	*11.2*	**(153,517)**	1,421,449
		4,878,519	5,032,036
Less: Current portion shown under current liabilities		**(4,878,519)**	(5,032,036)
Non Current portion		**-**	-

11.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into an agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. As at 30 June 2022, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and include accreted mark-up.

11.2 This represents exchange loss/ (gain) arising on translation of foreign currency convertible bonds.

12 Deferred liabilities

	Note	2024	2023
		--- (Rupees in thousand) ---	
Staff gratuity	*12.1*	**52,645**	48,043
Leave encashment	*12.2*	**1,255**	1,114
		53,900	49,157

12.1 Staff gratuity

	Note	2024	2023
Balance as at 01 July		**48,044**	44,726
Included in statement of profit or loss:			
Service cost		**5,602**	5,037
Interest cost		**7,256**	5,880
		12,858	10,917
Included in statement of comprehensive income:			
Remeasurements:			
Actuarial (gain) / loss from changes in financial assumptions		**(144)**	268
Experience adjustments		**(1,335)**	(6,537)
		(1,479)	(6,269)
Other:			
Benefits due but not paid (payable)		**(6,777)**	-
Benefits paid		**-**	(1,330)
		(6,777)	(1,330)
Balance as at 30 June		**52,645**	48,044
Charge for the year has been allocated as follows:			
Cost of revenue	*31.3*	**5,143**	4,367
Administrative and selling expenses	*32*	**7,715**	6,550
		12,858	10,917

Plan Assets

The Company is operating an unfunded gratuity scheme and has not invested any amount for meeting the liabilities of the scheme.

12.2 Leave encashment

	2024	2023
	--- (Rupees in thousand) ---	
Balance as at 01 July	1,114	1,698
Included in statement of profit or loss:		
Service cost	396	181
Experience adjustments	145	(990)
Interest cost	137	225
	678	(584)
	2024	2023
Included in statement of comprehensive income:	--- (Rupees in thousand) ---	
Remeasurements:		
Actuarial loss from changes in financial assumptions	-	-
Experience adjustments	-	-
	-	-
Other:		
Benefits due but not paid (payable)	(537)	-
Benefits paid	-	-
	(537)	-
Balance as at 30 June	1,255	1,114

Charge for the year has been allocated to administrative and selling expenses.

Plan Assets

The Company has not invested any amount for meeting the liabilities of the scheme.

12.3 Actuarial assumptions

	2024		2023	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate used for year end obligations	14.75%	14.75%	16.25%	16.25%
Expected rate of growth per annum in future salaries	13.75%	13.75%	15.25%	15.25%
Expected mortality rate	SLIC (2001-2005) Setback 1 Year			
Weighted average duration of defined benefit plan	5 Years	7 Years	5 Years	6 Years
Average number of leaves accumulated per annum by employees	-	-	-	5 days
Average number of leaves utilised per annum by employees	-	20 Days	-	15 days
Retirement age	Age 60	Age 60	Age 60	Age 60

12.4 The Company expects to charge Rs. 11.825 million to the unconsolidated statement of profit or loss on account of gratuity in the year ending 30 June 2025.

12.5 Sensitivity Analysis

	2024		2023	
	Gratuity	Leave encashment	Gratuity	Leave encashment
		--- (Rupees in thousand) ---		
Year end sensitivity on defined benefit obligation:				
Discount rate + 100 bps	50,222	811	45,956	1,054
Discount rate - 100 bps	55,397	914	50,391	1,181
Salary increase + 100 bps	55,447	912	50,462	1,179
Salary increase - 100 bps	50,111	812	45,855	1,055

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

12.6 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

13 Contract liability

This principally represents advances received from various parties against sale of apartments, houses and others in Pace Tower project, Lahore and its breakup is as follows:

	Note	2024	2023
		--- (Rupees in thousand) ---	
MCB Bank Limited		**17,000**	17,000
First Capital Investment Limited - related party		**16,020**	16,020
First Capital Securities Corporation Limited - related party		**45,887**	45,887
First Capital Equities Limited - related party		**5,019**	5,019
Others		**170,422**	163,968
		254,348	247,894

14 Current maturity of long term liabilities

	Note	2024	2023
Long term finances - secured	8	**58,695**	66,860
Redeemable capital - secured (non-participatory)	9	**805,118**	805,118
Lease liability	10	**23,116**	29,160
Foreign currency convertible bonds - unsecured	11	**4,878,519**	5,032,036
		5,765,448	5,933,174

15 Creditors, accrued and other liabilities

	Note	2024	2023
Trade creditors	15.1	**137,920**	133,931
Provisions and accrued liabilities		**386,466**	328,630
Payable to statutory bodies		**61,158**	101,693
Security deposits	15.2	**14,516**	30,773
Rentals against investment property received in advance		**37,800**	43,343
Retention money		**5,461**	5,461
Payable to contractors		**-**	196
Others	15.3	**120,154**	176,960
		763,475	820,987

15.1 This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. Nil (2023: Rs. 0.09 million) under normal course of business and are interest free.

15.2 These represent security deposits received against rent of shops rented out in the plazas. Section 217 of Companies Act, 2017 requires that a Company or any of its officers or agents shall not receive or utilize any money received as security or deposit, except in accordance with a contract in writing. Keeping in view the requirements of this section, the Company has entered into agreements with third parties whereby it is expressly stated that the Company shall have the right to utilize the security deposit at its discretion. These amounts are normally utilized to bring the areas rented out for their intended use (upkeep expenditure).

15.3 This includes payables to related parties under normal course of business and are interest free.

Related Party	Relationship	2024	2023
		--- (Rupees in thousand) ---	
First Capital Equities Limited	Common Directorship	**-**	1,070
Evergreen Water Valley (Private) Limited	Common Directorship	**80,894**	80,894
		80,894	81,964

Accrued finance cost

16		2024	2023
	Long term finances - secured	**51,095**	35,557
	Redeemable capital - secured (non-participatory)	**1,494,929**	1,313,188
		1,546,024	1,348,745

Contingencies and commitments

17 **17.1 Contingencies**

17.1.1 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 75 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

17.1.2 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honourable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

17.1.3 In view of legal opinion obtained by the legal advisor of the Company, the Company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 30 June 2024, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements.

17.2 Commitments

17.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Nil (2023: Rs. 26.27 million).

17.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Nil (2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Note	2024	2023
			--- (Rupees in thousand) ---	
	Property, plant and equipment			
18	Operating fixed assets	*18.1*	**373,436**	380,939
	Capital work in progress	*18.2*	**58,847**	58,847
	Right-of-use assets	*18.3*	**95,635**	100,406
			527,918	540,192

18.1 Operating fixed assets

	Freehold land *	Leasehold land **	Buildings on freehold land	Buildings on leasehold land ***	Plant and machinery	Electrical equipment	Office equipment and appliances	Furniture and fixtures	Computers	Vehicles	Total
	(Rupees in thousand)										
Net carrying value basis											
Year ended 30 June 2024											
Opening net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Additions (at cost)	-	-	-	-	-	11,123	-	-	-	-	11,123
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(5,938)	-	(1,020)	(7,881)	(185)	(196)	(50)	(3,356)	(18,626)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	112,829	-	9,178	79,317	1,668	1,768	101	13,422	373,436
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	207,078	12,060	11,801	10,280	67,732	764,845
Accumulated depreciation	-	-	(109,119)	-	(69,141)	(116,455)	(10,383)	(9,909)	(10,179)	(54,310)	(379,496)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	112,829	-	9,178	-	1,668	1,768	101	13,422	373,436
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis											
Year ended 30 June 2023											
Opening net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(6,251)	-	(1,133)	(8,453)	(206)	(218)	(74)	(4,194)	(20,529)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,853	1,964	151	16,778	380,939
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	

* Freehold land represents the uncovered area of Main Boulevard Project, M.M Alam Road Project, Model Town Link Road Project, Gujranwala Project, Gujrat Project and Woodland Project which is not saleable in the ordinary course of business.

** Leasehold land represents a piece of land transferred in the name of the Company by the Ministry of Defence, measuring 20,354 square yards situated at Survey No. 131/A, Airport Road, near Allama Iqbal International Airport, Lahore Cantt. The Company secured the bid for the said piece of land on behalf of Pace Barka Properties Limited (PBPL), an associated undertaking, since at the time of bidding PBPL was in the process of incorporation. Subsequent to the bidding, payment was made by PBPL but the Ministry of Defence refused to transfer the said piece of land in the name of PBPL as it was not the original bidder, therefore the legal ownership has been transferred in the name of the Company. Consequently, to avoid additional transaction costs relating to transfer of legal ownership, the Company has entered into an agreement with PBPL, whereby the possession of the land and its beneficial ownership has been transferred to PBPL through an Irrevocable General Power of Attorney dated 15 May 2007.

18.1.1 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immoveable property	Land Area (Square Feet)	*Covered Area (Square Feet)	Total Area (Square Feet)
38,38/A,39, Block P, Model Town Link Road, Lahore.	Shopping plaza	22,050	70,152	92,202
40, Block P, Model Town Link Road, Lahore.	Shopping plaza	22,995	21,933	44,928
Bridge Point Plaza, Fortress Stadium, Lahore Cantt.	Shopping plaza	7,695	16,204	23,899
96-B-I, M.M Alam Road, Gulberg - III, Lahore.	Shopping plaza	18,112	68,087	86,199
Mouza Dhola Zarri, Main GT Road Gujranwala.	Shopping plaza	21,148	53,601	74,749
Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat.	Shopping plaza	27,000	85,347	112,347
124/E-1 Main Boulevard Gulberg III Lahore.	Shopping plaza	40,757	81,601	122,358
Bedian Road, Lahore.	Management office	7,875	-	7,875

The buildings on freehold land and other immovable assets of the Company are constructed / located at above mentioned freehold land.

*The covered area includes multi-storey buildings.

18.1.2 Detail of operating fixed assets disposed-off during the year is as follows :

Description	Cost	Book Value	Sale Proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers	Relationship with the purchaser
Year Ended June, 30 2024	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Year Ended June, 30 2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil

18.1.3 Operating fixed assets include a vehicle, having cost of Rs. 1.39 million (2023: Rs. 1.39 million), which is fully depreciated but still in use as at 30 June 2024.

18.2 This represents Rs. 58.85 million related to the third floor of Pace Tower, covering an area of 4,261 square feet which is under construction and is to be held for use.

		Note	2024	2023
			--- (Rupees in thousand) ---	
18.3	**Right-of-use assets**			
	Land			
	Cost			
	Balance as at 01 July		119,496	119,496
	Additions / (deletions) during the year		-	-
	Balance as at 30 June		119,496	119,496
	Accumulated depreciation			
	Balance as at 01 July		(19,091)	(14,320)
	Depreciation charge during the year		(4,770)	(4,770)
	Balance as at 30 June		(23,861)	(19,091)
	Closing net book value		95,635	100,405
	Rate of depreciation		4%	4%
	Electrical equipment			
	Cost			
	Balance as at 01 July		15,339	15,339
	Additions / (deletions) during the year		-	-
	Balance as at 30 June		15,339	15,339
	Accumulated depreciation			
	Balance as at 01 July		(15,339)	(12,017)
	Depreciation charge during the year		-	(3,322)
	Balance as at 30 June		(15,339)	(15,339)
	Closing net book value		-	-
	Rate of depreciation		33%	33%

		Note	2024	2023
			--- (Rupees in thousand) ---	
18.4	Depreciation charge for the year has been allocated as follows:			
	Cost of revenue:			
	Depreciation on right-of-use assets	*31.3*	4,770	8,092
	Depreciation on owned assets	*31.3*	13,888	14,856
	Administrative and selling expenses:			
	Depreciation on owned assets	*32*	4,738	5,673
			23,396	28,621

	2024	2023
	--- (Rupees in thousand) ---	
19 Intangible assets		
Optical fiber - Royalty	1,781	2,257
Computer software	212	236
	1,993	2,493
19.1 Optical fiber - Royalty		
Cost	9,508	9,508
Accumulated amortisation		
As at 01 July	(7,251)	(6,775)
Amortisation for the year	(476)	(476)
Balance as at 30 June	(7,727)	(7,251)
Book value as at 30 June	1,781	2,257
Rate of amortisation	5%	5%
19.2 Computer software		
Cost	2,878	2,878
Accumulated amortisation		
As at 01 July	(2,642)	(2,616)
Amortisation for the year	(24)	(26)
Balance as at 30 June	(2,666)	(2,642)
Book value as at 30 June	212	236
Rate of amortisation	10%	10%

	Cost		Fair value	
	2024	2023	2024	2023
	--- (Rupees in thousand) ---			
20 Investment property				
Balance as at 01 July	964,825	883,931	1,898,694	1,803,239
Initial Recoginition of ROU	-	-	-	-
Fair value gain/ (loss) on recognition of ROU	-	-	-	-
Transfer from Inventory at cost	-	-	-	-
Transfer from PPE at cost	-	-	-	-
Purchases	-	80,894	-	80,894
	964,825	964,825	1,898,694	1,884,133
Fair value gain/ (loss) recorded in statement of profit or loss	-	-	(10,879)	14,562
Deletion during the year	(4,865)	-	-	-
As at 30 June	959,960	964,825	1,887,815	1,898,694

20.1 The forced sale value of investment property excluding right-of-use asset amounts to Rs. 1,586.539 million (2023: Rs. 1,580.806 million).

Investment properties represent Company's interest in land and buildings situated at Model Town Lahore, Gulberg Lahore, Gujranwala and Gujrat. On initial application of IFRS 16, the Company recognised right-of-use asset arising as a result of head lease of shops / apartments situated at 1st, 3rd and 4th floor of M.M Alam. The Company has sub-leased the aforementioned properties and right-of-use asset arising from head lease has been classified as investment property.

These are either leased to third parties or held for value appreciation. Changes in fair values are recognised and presented separately as "Gain/(loss) from change in fair value of investment property" in the statement of profit or loss.

20.2 The Company still holds the title of plot-D but the property has actually been sold to First Capital Securities Corporation Limited (associated Company), however title documents are yet to transfer in favour of purchaser.

20.1.1 Fair Value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer KG Traders, having appropriate recognised professional qualifications. The independent valuers provide the fair value of the Company's investment property portfolio annually. Latest valuation of these assets was carried out on 30 June 2024. Level 3 fair value of Buildings has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value.

Level 3 fair value of right-of-use assets has been determined using discounted cashflow method, whereby appropriate discount rate has been adjusted to arrive at the fair value.

The following is categorization of assets measured at fair value at 30 June 2024:

	Level 1	**Level 2**	**Level 3**	**Total**
		--- (Rupees in thousand) ---		
Freehold land	-	-	-	-
Buildings	-	-	**1,866,736**	**1,866,736**
Right-of-use assets	-	-	**21,079**	**21,079**
	-	-	**1,887,815**	**1,887,815**

The following is categorization of assets measured at fair value at 30 June 2023:

	Level 1	Level 2	Level 3	Total
		--- (Rupees in thousand) ---		
Freehold land	-	-	-	-
Buildings	-	-	1,859,772	1,859,772
Right-of-use assets	-	-	38,922	38,922
	-	-	1,898,694	1,898,694

Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer fair value hierarchy for the valuation techniques adopted.

Description	**Significant Unobservable inputs**	**Quantitative data / range and relationship to the fair value**
Buildings	Cost of construction of a new similar building Suitable depreciation rate to arrive at depreciated replacement value	The market value has been determined by using a depreciation of approximately 5%-10% on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Right-of-use asset	Discount rate being used to discount the future cashflows.	The estimated fair value will increase / (decrease) if discounting rates were lower / (higher).

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21 Lease Receivable

21.1 The Company has entered into a lease agreement as a lessor. Implicit Interest rate is 10% per annum. Installment of Rs. 422,400 monthly which will be increased by 25% upon completion of every three years.

21.2 Maturity Analysis-- Contractural undiscounted cash flows

	Rupees	Rupees
Lease payments receivable		
1 - 3 years	**19,800,000**	18,374,400
4 - 6 years	**24,750,000**	22,968,000
7 - 9 years	**30,937,500**	28,710,000
10 - 12 years	**38,671,875**	35,887,500
13 - 15 years	**49,951,172**	44,859,375
More than 15 years	**323,171,997**	342,185,669
	487,282,544	492,984,944

21.3 Reconciliation

	Note	2024	2023
		--- (Rupees in thousand) ---	
Total lease receivable		**487,283**	492,985
Less: Unearned finance income		**(367,057)**	(378,243)
Net investment in lease		**120,226**	114,742
Less: Current portion of lease receivable		**(6,336)**	(5,702)
Non Current portion of lease receivable		**113,890**	109,040

22 Long term investments

	Note	2024	2023
Equity instruments of:			
- subsidiaries - unquoted	*22.1*	**2,598,099**	91,670
- associated undertakings - unquoted	*22.2*	**-**	758,651
		2,598,099	850,321

22.1 Subsidiaries - unquoted

	Note	2024	2023
Pace Woodlands (Private) Limited			
3,000 (2023: 3,000) fully paid ordinary shares of Rs.10 each		**30**	30
Equity held 52% (2023: 52%)			
Less: Provision for impairment		**(30)**	-
Pace Super Mall (Private) Limited			
9,161,528 (2023: 9,161,528) fully paid ordinary shares of Rs.10 each		**91,615**	91,615
Equity held 57% (2023: 57%)			
Less: Provision for impairment		**(403)**	-
Pace Gujrat (Private) Limited			
2,450 (2023: 2,450) fully paid ordinary shares of Rs.10 each		**25**	25
Equity held 100% (2023: 100%)			
Pace Barka Properties Limited			
250,617,631 (2023: Nil) fully paid ordinary shares of Rs. 10 each	*22.3*	**2,506,077**	-
Equity held: 52.21% (2023: Nil)			

		2024	2023
		--- (Rupees in thousand) ---	
Pace Multiplierz (Private) Limited			
100,000 (2023: Nil) fully paid ordinary shares of Rs. 10 each			
Equity held: 100% (2023: Nil)	*22.4*	**1,000**	-
Less: Provision for impairment		**(215)**	-
		2,598,099	91,670

		Note	2024	2023
			--- (Rupees in thousand) ---	
22.2	**Associate Undertakings- unquoted**			
	Pace Barka Properties Limited			
	Nil (2023: 75,875,000) fully paid ordinary shares of Rs. 10 each			
	Equity held: Nil (2023: 24.86%)	*22.3*	-	758,651
			-	758,651

22.3 During the year ending June 30, 2024, the Company made an equity investment of Rs. 1,747.43 (52.21%) million in Pace Barka Properties Limited. As a result, Pace Barka Properties Limited becomes subsidiary of Pace Pakistan Limited (2023: 24.86%).

22.4 During the year ending June 30, 2024, the Company made an 100% equity investment of Rs. 1 million (2023: Nil) million in Pace Multiplierz (Pvt.) Limited.

23 Long term advances and deposits

These are in the ordinary course of business and are interest free advances and deposits.

24 Deferred taxation

The liability / (asset) for deferred taxation comprises temporary differences relating to:

	2024	2023
	--- (Rupees in thousand) ---	
Accelerated tax depreciation	**244,403**	244,903
Right-of-use assets and lease liability	**32,816**	34,587
Unrealised exchange loss	**(788,953)**	(833,472)
Employee retirement benefits	**(15,631)**	(14,255)
Provision for net realisable value	**186**	8,922
Provision for doubtful receivables	**(184,701)**	(156,374)
Unused tax losses	**711,880**	715,689
	-	-

The Company has not recognised deferred tax assets of Rs. 7.78 million (2023: Rs. 8.34 million) in respect of tax losses, Rs. 755.95.472 million (2023: Rs. 833.472 million) in respect of unrealised exchange loss and Rs. 119.027 million (2023: Rs. 93.32 million) in respect of minimum tax paid available for carry forward under section 113 and 113C of the Income Tax Ordinance, 2001, as sufficient taxable profits would not be available to set these off in the foreseeable future. Minimum tax paid under section 113 of Income Tax Ordinance, 2001 amounting to Rs. 3.66 million, Rs. 3.21 million, 22.46 million, 3.02 million and 25.703 million which will lapse in the year 2025, 2026, 2027, 2028 and 2029 respectively. Alternate Corporate Tax ('ACT') paid under section 113C of Income Tax Ordinance, 2001 aggregating to Rs.55.22 million and Rs.20.30 million will lapse in the year 2027 and 2028, respectively. Tax losses amounting to Rs. 197.32 million, Rs. 243.05 million, Rs.81.44 million 93.32 million and 119.027 million will expire in year 2025, 2026, 2027, 2028 and 2029 respectively.

25 Stock-in-trade

	Note	2024	2023
		--- (Rupees in thousand) ---	
Land not under development	*25.1*	**21,600**	21,600
Land purchased for resale	*25.2*	**387,840**	930,765
Work in progress			
- Pace Tower	*25.3*	**651,800**	650,158
- Pace Circle	*25.4*	**-**	670,650
Completed units - shops		**152,677**	168,091
		1,213,917	2,441,264
Stores inventory		**-**	392
		1,213,917	2,441,656

25.1 This represents the space purchased at Pace Supermall by the Company from its subsidiary for the purpose of resale and thus it is classified under stock.

25.2 This represents plot purchased for resale purposes amounting to Rs. 387.840 million (2023: Rs. 930.765 million).

25.3 The Company does hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle Lahore, but the property has been sold to First Capital Securities Corporation Limited (associated Company), however the title documents of the property will be transfer on completion.

25.4 Pace Circle is a project carried by Pace Barka (Private) Limited (an associated company). The project is under construction as at year end. The Company has sold it's shop/stock during the current year.

	Note	2024	2023
		--- (Rupees in thousand) ---	
26 Trade debts			
Secured			
Considered good	*26.1*	**1,036,434**	635,083
Unsecured		**460,110**	423,074
		1,496,544	1,058,157
Less: Impairment allowance		**(636,900)**	(539,221)
		859,644	518,936

26.1 This includes the following amounts due from related parties:

	2024	2023
Remy Apparel (Formerly Rema and Shehrbano)	**4,893**	4,738
First Capital Investment Limited & First Capital Mutual Fund	**-**	4,580
First Capital Equities Limited	**114,822**	118,441
First Capital Securities Corporation Limited	**-**	6,681
Connatural Cosmetics	**706**	1,450
Pace Multiplierz (Private) Limited	**112,472**	-
	232,893	135,890

26.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 232.89 million (2023: Rs. 20.48 million).

	Note	2024	2023
		--- (Rupees in thousand) ---	
27 Advances, deposits, prepayments and other receivables			
Advances - considered good:			
- to employees	*27.1*	**3,433**	11,750
- to suppliers		**24,884**	29,087
Security deposits		**785**	785
Others - considered good	*27.3*	**78,216**	44,087
	27.2	**107,318**	85,709

27.1 Advances to employees include advances against salary and gratuity, repayable within one year and at the time of final settlement, respectively. This includes Rs. 1.83 million (2023: Rs. 5.67 million) advance given to executive employee of the Company.

27.2 The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 28.75 million (2023: Rs. 7.07 million)

27.3 This includes rent receivable from a related party 'Media Times Limited' amounting to Rs. 27.514 million (2023: Rs. 13.38 million). The amount also includes impairment allowance of Nil (2023: Nil) recognised in the current year.

	Note	2024	2023
		--- (Rupees in thousand) ---	
28 Income tax refundable - net			
Income tax refundable	*28.1*	**46,255**	32,314
Provision for taxation - current		**(25,703)**	(3,023)
		20,552	29,291

28.1 This represents mainly withholding tax deducted from profit on bank deposits and rental income from property and advance tax paid on electricity bills under Section 151, 152 and 235, respectively of the Income Tax Ordinance, 2001.

	Note	2024	2023
		--- (Rupees in thousand) ---	
29 Cash and bank balances			
Cash in hand		-	16
Cash at banks			
- Current accounts	*29.1*	31,626	18,784
- Saving accounts	*29.2*	784	836
		32,410	19,620
		32,410	19,636

29.1 This includes Rs. 17 million (2023: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

29.2 This carries profit at the rates ranging from 19.5% to 20.75% (2023: 5.75% to 19.5%) per annum.

	Note	2024	2023
		--- (Rupees in thousand) ---	
30 Revenue			
Sale of Pace Tower units	*30.1*	80,360	-
Sale of Completed Units - Others		1,779,538	9,773
Sale of Land		-	-
Display of advertisements		5,671	6,547
Service charges		129,094	142,119
Revenue from contract with customers		1,994,663	158,439
Other revenue			
Rental income from lease of investment property		61,581	83,370
Total revenue		2,056,244	241,809

30.1 This includes revenue recognised at percentage of completion basis

	2024	2023
Revenue recognised to date	1,778,089	1,697,729
Aggregate cost incurred to date	(1,442,745)	(1,416,173)
Recognised profit to date	335,345	281,556

The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the current year, the Company earned 36.569 million profit. (2023: Nil).

	2024	2023
	--- (Rupees in thousand) ---	

30.2 Disaggregation of revenue

	2024	2023
Timing of revenue recognition		
At a point in time	1,859,898	9,773
Over time	196,346	232,036
	2,056,244	241,809

30.3 Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Note	2024	2023
		--- (Rupees in thousand) ---	
Receivables, which are included in trade debts	26	1,496,544	1,027,876
Contract liability	30.3.1 & 13	254,348	247,894

30.3.1 The contract liabilities primarily relate to the advance consideration received from customers against sale of properties and development services.

31 Cost of revenue

	Note	2024	2023
		--- (Rupees in thousand) ---	
Shops and commercial buildings sold			
- at percentage of completion basis	31.1	697,222	-
- at completion of project basis	31.2	551,835	8,940
Stores operating expenses	31.3	115,890	109,849
		1,364,947	118,789

31.1 Shops / apartments and commercial buildings sold at percentage of completion basis

	2024	2023
Opening work in progress (Pace Tower)	650,158	542,267
Opening work in progress (Pace Circle)	670,650	670,650
Purchase of inventory	28,214	107,890
Project development costs	-	-
Write down of inventory to net realisable value	-	-
Property disposed / settled	-	-
Closing work in progress (Pace Tower)	(651,800)	(650,158)
Closing work in progress (Pace Circle)	-	(670,650)
	697,222	-

		Note	2024	2023
			--- (Rupees in thousand) ---	
31.2	**Shops / apartments and commercial buildings sold at completion of project basis**			
	Opening inventory of shops and Land		**1,098,856**	1,077,200
	Purchase during the year		**-**	-
	Transfer to Investment Property		**-**	-
	Transfer to Property, Plant & Equipment		**-**	-
	Settlement		**-**	-
	(Write down)/reversal of inventory to net realisable value		**(6,504)**	30,596
	Closing inventory of shops and Land		**(540,517)**	(1,098,856)
			551,835	8,940
31.3	**Stores operating expenses**			
	Salaries, wages and benefits	*31.3.1*	**41,107**	38,303
	Rent, rates and taxes		**14,638**	14,868
	Depreciation on owned assets	*18.4*	**13,888**	14,856
	Depreciation on right-of-use assets	*18.4*	**4,770**	8,092
	Repairs and maintenance		**10,730**	4,024
	Janitorail		**1,315**	1,741
	Fuel and Power		**29,442**	27,964
	Others		**-**	-
			115,890	109,849

31.3.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment:

	2024	2023
Current service cost	**2,399**	2,087
Interest cost	**3,015**	2,046
	5,414	4,133

32 Administrative and selling expenses

	Note	2024	2023
Salaries, wages and benefits	*32.1*	**61,764**	61,410
Travelling and conveyance		**5,284**	1,387
Rent, rates and taxes		**3,957**	2,285
Insurance		**2,636**	1,319
Printing and stationery		**432**	160
Repairs and maintenance		**33,867**	21,464
Motor vehicles running		**3,033**	1,481
Communications		**713**	597
Advertising and sales promotion		**-**	16
Depreciation on owned assets	*18.4*	**4,738**	5,673
Amortisation on intangible assets	*19*	**500**	502
Auditors' remuneration	*32.2*	**4,000**	4,139
Legal and professional		**5,416**	5,968
Commission on sales		**78**	4,830
Office expenses		**2,692**	988
Impairment loss on trade and other receivables		**97,679**	210,528
Impairment loss on Inventory		**7,146**	169
Impairment loss on Investment in Subsidiaries		**648**	-
Write-off - trade and other receivables		**12,361**	-
Other expenses		**5,431**	5,888
		252,375	328,804

32.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment

	2024	2023
	--- (Rupees in thousand) ---	
Current service cost	3,599	3,131
Interest cost	4,523	3,069
	8,122	6,200

32.2 Auditors' remuneration

The charges for auditors' remuneration includes the following in respect of auditors' services for:

	2024	2023
Statutory audit	2,420	2,420
Half yearly review	847	847
Audit of consolidated financial statements	220	220
Statutory certification	110	110
Out of pocket expenses	403	542
Audit experts (valuer) fee	-	-
	4,000	4,139

33 Other income

	2024	2023
Income from financial assets		
Mark-up on bank accounts	1,468	120
Commission on guarantee	-	1,238
Finance Income from Lease Receivable	11,186	10,646
Income from non-financial assets		
Reversal of impairment loss on inventory	642	30,765
Gain on sale of property, plant and equipment	-	-
Others		
Gain on settlement of loans/lease liability	1,406	12,631
Income from parking and storage	-	-
Miscellaneous Income	-	-
Others	3,640	5,231
Liabilities Written-back	174,897	60,001
	193,239	120,632

34 Finance cost

	2024	2023
Interest and mark-up on:		
- Long term finances - secured	15,538	17,276
- Foreign currency convertible bonds - unsecured	-	-
- Redeemable capital - secured (non-participatory)	181,742	140,366
- Notional interest on lease liability	24,838	24,733
	222,118	182,375
Bank charges and processing fee	288	166
	222,406	182,541

35 Minimum Tax

	Note	2024	2023
		--- (Rupees in thousand) ---	
Minimum Tax	35.1	**25,703**	3,023

35.1 This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

36 Taxation

	2024	2023
Income Tax		
- Current Year		
- Prior Year	-	-
	-	-
	-	-

The relationship between income tax expense and accounting profit has not been presented in these financial statements as the tax liability is calculated under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

37 Profit / (Loss) per share - basic and diluted

The calculation of basic and diluted loss per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. There are no dilutive potential ordinary shares outstanding as at 30 June 2024 (2023: Nil).

	2024	2023
	--- (Rupees in thousand) ---	
Profit / (Loss) for the year	**526,690**	(1,677,604)
Weighted average number of ordinary shares outstanding during the year	**278,877**	278,877

	Note	2024	2023
		--- (Rupees in thousand) ---	
38 Cash generated/ (used in) from operations			
Profit / (Loss) before tax		**552,393**	(1,674,581)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	*11.2*	**(153,517)**	1,421,449
Provision for gratuity and leave encashment	*12.1 & 12.2*	**13,536**	10,333
Depreciation on owned assets	*18.4*	**18,626**	20,529
Depreciation on right-of-use assets	*18.4*	**4,770**	8,092
Amortisation on intangible assets	*19*	**500**	502
Changes in fair value of investment property	*20*	**10,879**	14,562
Impairment loss on trade debts and other receivables		**97,679**	210,528
Impairment loss on Investment in Subsidiaries		**648**	-
Writt-off - trade and other receivables		**12,361**	-
Write down of inventory to net realisable value	*31.2*	**7,146**	169
Finance costs	*34*	**222,118**	182,375
Mark-up income	*33*	**-**	(120)
Loss/ (Gain) on sale of property, plant and equipment	*33*	**-**	-
Non Cash Income	*33*	**(187,489)**	(83,278)
Gain before working capital changes		**599,651**	110,560
Effect on cash flow due to working capital changes:			
(Increase)/ Decrease in stock-in-trade		**1,227,739**	(107,891)
(Increase)/ Decrease in trade debts		**(458,434)**	13,086
Decrease in contract asset		**356,817**	-
Increase in advances, deposits and other receivables		**(29,390)**	(25,522)
Increase in contract liability		**6,454**	29,164
Increase in creditors, accrued and other liabilities		**101,920**	96,118
		1,205,106	4,955
		1,804,756	115,514
39 Cash and cash equivalents			
Cash and bank balances	*29*	**32,410**	19,636

40 Reconciliation of movement of liabilities to cash flows arising from financing activities

	30 June 2024							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Long term finances - secured	Redeemable capital - secured (non-participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	--- (Rupees in thousand) ---							
Balance as at 01 July 2023	2,788,766	273,265	47,037	66,860	802,935	178,821	5,032,036	1,348,745
Cash flows								
Long term loan paid during the year	-	-	-	(8,165)	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(8,771)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	(8,165)	-	(8,771)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	(153,517)	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	-
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(22,112)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,838	-	197,279
Total non-cash changes	-	-	-	-	-	2,726	(153,517)	197,279
Balance as at 30 June 2024	2,788,766	273,265	47,037	58,695	802,985	172,776	4,878,519	1,546,024

Pace (Pakistan) Limited
Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2024

40.1

	30 June 2023							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Long term finances - secured	Redeemable capital - secured (non-participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	--- (Rupees in thousand) ---							
Balance as at 01 July 2022	2,788,766	273,265	47,037	66,860	813,558	183,668	3,610,587	1,203,734
Cash flows								
Long term loan paid during the year	-	-	-	-	(10,573)	-	-	-
Repayment of lease rentals	-	-	-	-	-	(9,294)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	(10,573)	(9,294)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	1,421,449	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	(149,715)
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	(4,567)	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(15,720)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,733	-	294,726
Total non-cash changes	-	-	-	-	-	4,446	1,421,449	145,011
Balance as at 30 June 2023	2,788,766	273,265	47,037	66,860	802,985	178,821	5,032,036	1,348,745

41 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these unconsolidated financial statements and remuneration of key management personnel is disclosed in note 44. All transactions with related parties have been carried out on Arm's length. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	2024	2023
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	**Subsidiary** (equity held 52.21%)	Guarantee commission income	-	1,238
		Investment in equity shares	**1,747,426**	-
		Purchase during the year	-	62,827
Ever Green Water Valley (Private) Limited	**Common Directorship**	Sale during the year	-	-
		Purchase of floor / plot	-	80,894
		Payment against purchase of plot	-	-
		Purchase of goods and services	**28,214**	107,892
First Capital Equities Limited	**Common Directorship**	Sale during the year	-	-
		Rental income	-	-
Media Times Limited	**Common Directorship**	Rental income	**5,702**	5,069
		Advertisement expense	-	-
Pace Multiplierz (Private) Limited	**Subsidiary** (equity held 100%)	Investment in equity shares	**1,000**	-
Be Yourself (Private) Limited	**Common Directorship**	Sales during the year	**57,261**	-

42 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

42.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. As part of these processes the financial viability of all counterparties are regularly monitored and assessed.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

	Note	2024	2023
		--- (Rupees in thousand) ---	
Long term advances and deposits		**13,619**	13,619
Trade debts	*26*	**859,644**	518,936
Advances, deposits, prepayments and other receivables	*27*	**107,318**	85,709
Bank balance	*29*	**32,410**	19,620
Lease Receivable	*21*	**120,226**	114,742
Contract asset		**-**	356,817
		1,133,217	1,109,443

Trade receivables

All the counterparties are of domestic origin. Ageing of the trade debts is as under:

The ageing of trade debts against properties including related parties at reporting date is as follows:

	2024		2023	
	Gross	**Impairment**	Gross	Impairment
	--- (Rupees in thousand) ---			
- Past due 0 - 365 days	**438,217**		122,189	
- 1 - 2 years	**85,900**	**(636,900)**	47,052	(539,221)
- More than 2 years	**972,428**		888,916	
	1,496,544	**(636,900)**	1,058,157	(539,221)

Based on the amount of collateral held, the management believes that no impairment allowance is necessary in respect of unprovided past due amounts pertaining to receivable against properties as there are reasonable grounds to believe that the loss given default will not be material. However, receivable against service charge, display of advertisement and rental income is fully provided for as the management does not expect to recover the amount.

Bank balances

The Company held bank balances of Rs. 32.41 million at 30 June 2024 (2023: Rs. 19.62 million).

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of impairment allowance at 30 June 2024 is Nil. (2023: Nil)

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating		
	Short term	Long term	Agency	2024	2023
				--- (Rupees in thousand) ---	
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	143	56
Allied Bank Limited	A1+	AAA	PACRA	38	41
Askari Bank Limited	A1+	AA+	PACRA	10	8
Bank Alfalah Limited	A1+	AAA	PACRA	2	1
Bank Islamic Pakistan Limited	A1	AA-	PACRA	12	11
Faysal Bank Limited	A1+	AA	PACRA	1,718	1,718
Habib Bank Limited	A-1+	AAA	VIS	0	0
MCB Bank Limited	A1+	AAA	PACRA	30,388	17,762
Silk Bank Limited	A-2	A-	VIS	80	5
Soneri Bank Limited	A1+	AA-	PACRA	13	11
United Bank Limited	A-1+	AAA	VIS	6	6
				32,410	19,620

42.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company maintains adequate reserves, by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities. Financial liabilities comprise trade and other payables and due to related parties.

Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments.

	2024				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
			--- (Rupees in thousand) ---		
Long term finances - secured	58,695	58,695	58,695	-	-
Redeemable capital - secured (non-participatory)	805,118	805,118	805,118	-	-
Lease liability	172,776	172,776	23,116	64,013	85,647
Foreign currency convertible bonds - unsecured	4,878,519	4,878,519	4,878,519	-	-
Creditors, accrued and other liabilities	725,675	725,675	725,675	-	-
Accrued finance cost	1,546,024	1,546,024	1,546,024	-	-
	8,186,807	8,186,807	8,037,147	64,013	85,647

	2023				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
	--- (Rupees in thousand) ---				
Long term finances - secured	66,860	66,860	66,860	-	-
Redeemable capital - secured (non-participatory)	805,118	805,118	805,118	-	-
Lease liability	178,822	178,822	29,160	58,570	91,093
Foreign currency convertible bonds - unsecured	5,032,036	5,032,036	5,032,036	-	-
Creditors, accrued and other liabilities	776,779	776,779	776,779	-	-
Accrued finance cost	1,348,745	1,348,745	1,348,745	-	-
	8,208,360	8,208,360	8,058,698	58,570	91,093

42.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

42.4 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to foreign currency risk as at the reporting date.

The Company is exposed to currency risk arising from primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to foreign currency convertible bonds. The Company's exposure to currency risk was as follows:

Following is the Company's exposure to currency risk:	**2024**	2023
	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	**17,527**	17,527

The exchange rate applicable at the reporting date is 278.34 (2023: 287.10)

42.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2024		2023	
		Financial asset	**Financial liability**	Financial asset	Financial liability
Non-derivative financial - instruments	*Note*	**--- (Rupees in thousand) ---**			
Fixed rate instruments					
Long term finances - secured	*8*	**-**	**58,695**	-	66,860
Foreign currency convertible bonds	*11*	**-**	**4,878,519**	-	5,032,036
Lease liability	*10*	**-**	**172,776**	-	178,822
Cash at bank	*29*	**784**	**-**	836	-
Variable rate instruments					
Redeemable capital - secured	*9*	**-**	**(805,118)**	-	(805,118)
		784	**4,304,872**	836	4,472,600

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss: Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit or loss 100 bps			
	2024		2023	
	Increase	**Decrease**	Increase	Decrease
	--- (Rupees in thousand) ---			
	(8,051)	**8,051**	(8,051)	8,051

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

42.6 Other price risk

Other 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 interest rate risk or currency risk).

42.7 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. The Company monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents.

	2024	2023
	--- (Rupees in thousand) ---	
Total liabilities	**8,532,855**	8,549,619
Less: cash and cash equivalents	**(32,410)**	(19,636)
Net debt	**8,500,445**	8,529,983
Total equity	**(1,149,344)**	(1,667,513)
Net debt to equity ratio	**(7.40)**	(5.08)

43 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	Note	30 June 2024					
		Carrying amount			Fair value		
		Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
30 June 2024							
Financial assets not measured at fair value							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		859,644	-	859,644	-	-	-
Cash and bank balances		32,410	-	32,410	-	-	-
Lease Receivable		120,226	-	120,226	-	-	-
Contract asset		-	-	-	-	-	-
	43.2	1,025,899	-	1,025,899	-	-	-
Financial liabilities not measured at fair value							
Long term finances - secured		-	58,695	58,695	-	-	-
Redeemable capital - secured (non-participatory)		-	805,118	805,118	-	-	-
Lease liability		-	172,776	172,776	-	-	-
Foreign currency convertible bonds - unsecured		-	4,878,519	4,878,519	-	-	-
Creditors, accrued and other liabilities		-	725,675	725,675	-	-	-
Accrued finance cost		-	1,546,024	1,546,024	-	-	-
	43.2	-	8,186,807	8,186,807	-	-	-

43.1 Fair value measurement of financial instruments

	Note	30 June 2023					
		Carrying amount			Fair value		
		Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
<u>30 June 2023</u>							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		13,619	-	13,619	-	-	-
Trade debts		518,936	-	518,936	-	-	-
Cash and bank balances		19,636	-	19,636	-	-	-
Lease Receivable		114,742	-	114,742	-	-	-
Contract asset		356,817	-	356,817	-	-	-
	43.2	1,023,751	-	1,023,751	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	805,118	805,118	-	-	-
Lease liability		-	178,822	178,822	-	-	-
Foreign currency convertible bonds - unsecured		-	5,032,036	5,032,036	-	-	-
Creditors, accrued and other liabilities		-	776,779	776,779	-	-	-
Accrued finance cost		-	1,348,745	1,348,745	-	-	-
	43.2	-	8,208,360	8,208,360	-	-	-

43.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

44 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the unconsolidated financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company is as follows:

	DIRECTORS					
	Chief Executive		Executive		Executives	
	2024	2023	2024	2023	2024	2023
	--- (Rupees in thousand) ---					
Managerial remuneration	**7,600**	7,600	**5,022**	2,726	**15,937**	7,146
House allowance	**3,040**	3,040	**2,009**	1,090	**6,376**	2,858
Utilities	**760**	760	**502**	273	**1,595**	715
Staff retirement benefit-Gratuity	**950**	950	**682**	341	**893**	893
Leave encashment	**1,267**	633	**837**	227	**859**	859
	13,617	12,983	**9,052**	4,656	**25,660**	12,470
Number of persons	**1**	1	**2**	1	**7**	7

45 Number of employees

	2024	2023
Total number of employees as at 30 June	**116**	136
Average number of employees during the year	**116**	160

46 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 04th october 2024 by the Board of Directors of the Company.

47 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. However, there has been no material reclassification/rearrangements except transfer of Rs. 3.023 million from the head "Taxation" (Note-36) to the head "Minimum tax" (Note-35) to comply with the requirements of IFRIC 21/IAS 37.

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

INDEPENDENT AUDITOR'S REPORT

To the members of Pace Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of ***Pace Pakistan Limited*** (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (here-in-after referred to as "the consolidated financial statements") and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, unconsolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group affairs as at June 30, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group 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.

Material Uncertainty relating to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which states that at the reporting date, current liabilities of the Group have exceeded its current assets by Rs. 4,254.06 million (2023: Rs. 4,961.31 million), and accumulated (losses) of the Group stand Rs. 3,393.06 million (2023: loss of Rs. 4387.35 million). Due to liquidity issues the Group has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern Section,* we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	**Revenue** Refer to notes 6.15 and 36 to the consolidated financial statements. The Group recognized revenue of Rs. 1,780.578 million during the year ended June 30, 2024, being both at a point in time and over the time depending on the nature of contracts with customer We identified recognition of revenue as a key audit matter because it involves the use of significant judgement to evaluate whether the contracts has commercial substance or not. Further it involves judgement in evaluating whether collectability of an amount of consideration is probable. Further there is an inherent risk of fraud in revenue recognition due to unpredictable way in which management override of controls could occur making it a significant risk	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to revenue recognition and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Group's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; and • performing test of details procedures over revenue recorded and cost incurred on project during the year; • evaluating the adequacy of financial disclosures, including disclosures of key assumptions and judgements; • proposing adjustment for revenue recorded, where collectability of consideration is less then probable; • scanning for any manual journal entries relating to revenue recorded during and near the year end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation
2	**Valuation of investment property** Refer to notes 6.5 and 25 to the consolidated financial statements. The investment property of the Group comprise freehold land and building on freehold land As at 30 June 2024, the carrying value of investment properties was at Rs 2,688.097 million The Group has adopted the fair value model for	Our procedures included, but were not limited to; • assessing the design and implementation of the controls over the valuation of investment property and measurement of right of use asset classified in investment property; • Obtaining an understanding of evaluation process and assumption which the valuer has adopted to assess if they are consistent with the

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	valuation of its investment properties. Under this said model it is required to measure all investment properties at fair value at each reporting date. Changes in fair value are recognized in consolidated statement of profit and loss We considered this as key audit matter due to the significant carrying value of investment properties and significant judgements estimations involved in determining the fair value	industry norms, market condition and general prevailing economic circumstances • Confirming the valuation approach was in accordance with the International Financial reporting standards and suitable for use in determining the fair value of properties classified as Investment property; • recalculating the fair value gain/loss on investment property during the year; • Assessing the valuer's competence and capabilities • Evaluating the adequacy of disclosures in the financial statements, including the disclosures in the financial statements, including disclosures of key assumptions and judgements.

Information Other than consolidated 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 for the year ended June 30, 2024, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

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

We also provide the board of directors 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, we determine those matters that were of most significance in the audit of the consolidated 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.

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Report on Other Legal and Regulatory Requirements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shoaib Ahmad Waseem.

Junaidy Shoaib Asad

Junaidy Shoaib Asad
Chartered Accountants
Lahore
UDIN: AR202410196vr0Aa5Foy
Date: 10 OCT 2024

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Pace (Pakistan) Limited

Consolidated Statement of Financial Position

As at 30 June 2024

EQUITY AND LIABILITIES	Note	2024	2023
		— (Rupees in thousand) —	
Share capital and reserves			
Authorised capital	7	6,000,000	6,000,000
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766
Share premium	7	273,265	287,307
Revaluation Surplus		47,037	47,037
Accumulated loss		(3,393,058)	(4,387,349)
		(283,990)	(1,264,240)
Non-controlling interests		3,071,290	87,030
		2,787,300	(1,177,210)
Non-current liabilities			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	149,660	149,662
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	97,640	49,157
Financial Liabilities	13	702,374	-
Consideration payable to customers	14	30,983	-
Deferred Taxation	15	31,030	62,904
		1,011,687	261,723
Current liabilities			
Contract liability	16	764,954	248,894
Current maturity of long term liabilities	17	5,910,798	5,933,174
Creditors, accrued and other liabilities	18	1,073,923	864,529
Provision for onerous contracts	19	287,247	-
Accrued finance cost	20	1,552,341	1,348,745
		9,589,263	8,395,342
Down payment against sale of investment properties classified as held for sale	21	170,000	-
		9,759,263	8,395,342
Contingencies and commitments	22	-	-
		13,558,250	7,479,855

ASSETS	Note	2024	2023
		— (Rupees in thousand) —	
Non-current assets			
Property, plant and equipment	23	5,222,427	540,192
Intangible assets	24	12,386	2,493
Goodwill		130	-
Investment property	25	2,688,097	1,898,694
Lease Receivable	26	113,890	109,040
Contract Asset		-	356,817
Investment in associate	27	-	1,123,368
Long term advances and deposits	28	16,113	15,248
		8,053,043	4,045,852
Current assets			
Stock-in-trade	29	3,167,556	2,774,656
Trade debts	30	1,313,832	518,936
Contract Assets	31	389,829	-
Advances, deposits, prepayments and other receivables	32	128,928	85,709
Lease Receivable	26	6,336	5,702
Income tax refundable - net	33	20,444	29,344
Cash and bank balances	34	35,792	19,656
		5,062,717	3,434,003
Investment properties classified as held for sale	35	442,490	-
Total Current Assets		5,505,207	3,434,003
		13,558,250	7,479,855

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

Chief Executive Officer   Director   Chief Financial Officer

Pace (Pakistan) Limited
Consolidated Statement of Profit or Loss
For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Revenue	36	1,780,578	241,809
Cost of Revenue	37	(1,303,696)	(118,789)
Gross Profit		476,881	123,020
Administrative and selling expenses	38	(305,972)	(328,879)
Other expenses	39	(11,931)	-
Other income	40	210,906	120,632
Profit / (Loss) from operations		369,885	(85,227)
Finance cost	41	(262,137)	(182,541)
Exchange gain/ (loss) on foreign currency convertible bonds	11	153,517	(1,421,449)
Gain from change in fair value of investment property		(6,809)	14,562
Share of loss from associate	27	(163,331)	(54,643)
Deemed loss	27	(70,782)	-
Bargain Purchase Gain		596,097	-
Commission expense on contract to sell investment property held for sale		(10,000)	-
Gain on financing arrangements	13.1	63,870	-
Profit / (Loss) before income tax and minimum taxes		670,309	(1,729,298)
Minimum Tax	42	(25,864)	(3,023)
Profit/(Loss) before income tax		644,445	**(1,732,321)**
Taxation	43	363,542	-
Profit/ (Loss) after Taxation		1,007,987	(3,464,643)
Attributable to:			
Owners of the Parent Company		980,890	(3,464,643)
Non-controlling interests		27,097	-
		1,007,987	(3,464,643)
Earning/ (Loss) per share - basic and diluted	44	3.61	(6.21)

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

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

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Pace (Pakistan) Limited

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Profit / (Loss) for the year		**1,007,987**	(3,464,643)
<u>Other comprehensive income for the year</u>			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement of net defined benefit liability	*12*	**(2,582)**	6,270
Share of profit/ (loss) in associate's defined benefit obligation		-	-
Share of revaluation surplus in associate's lease hold land		-	-
Revaluation Surplus on transfer		-	-
			-
Total comprehensive gain / (loss) for the year		**1,005,405**	(3,458,373)
Attributable to:			
Owners of the Parent Company		**980,249**	(3,458,373)
Non-controlling interests		**25,156**	-
		1,005,405	(3,458,373)

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

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

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Pace (Pakistan) Limited

Consolidated Statement of Changes In Equity

For the year ended 30 June 2024

	Issued, subscribed and paid-up capital	Capital reserve			Revenue reserve	Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total Equity
		Share premium	Revaluation Surplus	Share in reserves of associates	Accumulated loss			
	— (Rupees in thousand) —							
Balance as at 30 June 2022	2,788,766	273,265	47,037	14,042	(2,661,298)	461,812	87,030	548,842
Total comprehensive loss for the year ended 30 June 2023								
Profit/ (Loss) after taxation	-	-	-	-	(1,732,321)	(1,732,321)	-	(1,732,321)
Other comprehensive income	-	-	-	-	6,270	6,270	-	6,270
	-	-	-	-	(1,726,051)	(1,726,051)	-	(1,726,051)
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,387,349)	(1,264,239)	87,030	(1,177,210)
Non-controlling Interests at initial acquisition							2,959,104	2,959,104
Reclassified to Revenue reserve				(14,042)	14,042			
Total comprehensive loss for the year ended 30 June 2024								
Profit after taxation	-	-	-	-	980,890	980,890	27,097	1,007,987
Other comprehensive loss	-	-	-	-	(641)	(641)	(1,941)	(2,582)
	-	-	-	-	980,249	980,249	25,156	1,005,405
Balance as at 30 June 2024	2,788,766	273,265	47,037	-	(3,393,058)	(283,990)	3,071,290	2,787,300

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

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

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Pace (Pakistan) Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024	2023
		--- (Rupees in thousand) ---	
Cash flows from operating activities			
Cash generated from operations	45	653,458	115,515
Gratuity paid		(54)	(700)
Taxes paid		(19,994)	(12,405)
Net cash generated from operating activities		633,410	102,410
Cash flow from investing activities			
Purchase of property, plant and equipment		(14,982)	-
Proceeds from disposal of property, plant and equipment		1,973	-
Receipt of down payment against sale of investment property		170,000	
Purchase of investment property		(752,840)	(80,894)
Income on bank deposits received	40	5,284	120
Net cash used in from investing activities		(590,565)	(80,774)
Cash flow from financing activities			
Long term loan paid during the year		(8,165)	(10,573)
Receipts under financing arrangements		57,141	
Repayments under financing arrangements		(66,914)	
Payments of lease liability		(8,771)	(13,860)
Net cash used in financing activities		(26,709)	(24,433)
Net (decrease) / increase in cash and cash equivalents		16,136	(2,797)
Cash and cash equivalents - at beginning of the year		19,656	22,453
Cash and cash equivalents - at end of the year	46	35,792	19,656

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

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

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1 The Group and its operations

		2024	2023
The Group comprises of :		(Direct holding percentage)	
Parent Company			
Pace (Pakistan) Limited	*1.1*	-	-
Subsidiary Companies			
Pace Gujrat (Private) Limited	*1.2*	**100%**	100%
Pace Supermall (Private) Limited	*1.3*	**56.79%**	56.79%
Pace Woodland (Private) Limited	*1.4*	**52%**	52%
Pace Barka Properties Limited	*1.5*	**52.21%**	0%
Pace Multiplierz (Private Limited)	*1.6*	**100%**	0%
Associate Company			
Pace Barka Properties Limited		**0.00%**	24.86%

1.1 Pace (Pakistan) Limited

Pace (Pakistan) Limited ('the Parent Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

1.2 Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (the Company) was incorporated on July 8, 2005 as private Limited Company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2007 on May 30, 2017. The registered office of the Company is situated at Pace Plaza Fortress Stadium Lahore. The principal activity of the Company is to acquire by purchase or otherwise€ land and plots and to sell or consult, lease, hire and manage buildings, shopping mall, super market, utility stores, plazas, shopping arcades etc,

1.3 Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary company) was incorporated on 27 March 2003 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.

1.4 Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary company) was incorporated in Pakistan on 27 July 2004 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage

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buildings, supper markets, utility stores, plazas, shopping arcades etc.

1.5 Pace Barka Properties Limited

Pace Barka Properties Limited (the 'Company') was incorporated in Pakistan on November 22, 2005 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The registered office of the Company is situated at First Capital House 96-B/1, M.M. Alam Road, Gulberg III, Lahore. The principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shopping malls, apartments, villas and commercial buildings and to carry on the business of hospitality. The name of the Company's real estate project is Pace Circle, situated at Amjad Chaudhry Road, Lahore Cantonment.

1.6 Pace Multiplierz (Private Limited)

Pace Multiplierz Private limited (the company) was incorporated on June 22, 2016 as Private Limited Company under the Companies Ordinance,1984 (Repealed with the enactment of the Companies Act, 2007 on May 30, 2017) . The registered office of the Company is situated at Pace Plaza MM Alam Lahore. The principal activity-of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades.

2 Going Concern Assumption

At the reporting date, current liabilities of the Group have exceeded its current assets by Rs. 4,253.93 million (2023: Rs. 4,961.31 million), and accumulated (losses) of the Group stand at Rs. (3,392.93) million (2023: Rs. (4387.35) million). Due to liquidity issues the Group has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. These conditions indicate the existence of a material uncertainty related to events or conditions that may cast significant doubts on the Group's ability to continue as a going concern and, therefore, it may be unable to realize it assets and discharge its liabilities in the normal course of business.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

The Group has materially completed its Pace Tower project. The management of the Group is also trying to increase revenue through renting out vacant spaces available at different floors of projects on co-working space basis. The Group has also started sale of its allocated unit in Shadman project through zameen.com, one of the leading real estate sale agency of Pakistan. In addition, Group has saleable inventory in the form of remaining Islamabad plots, the palm and various shops in pace shopping malls.

The Group has saleable inventory comprising of shops and apartments at Pace Circle project having an estimated sales value aggregating Rs 9,588.866 million against which sale agreements aggregating Rs 6,880.211 million have been executed as of the reporting date. Against these sale agreements, the Group has committed future contractual cashflows aggregating Rs 3,163.969 million as of the reporting date. The Group also has unsold inventory comprising of shops and apartments at Pace Circle project having sales value aggregating Rs 2,708.653 million for which it is actively engaged in finding new buyers.

On the other hand, the management estimates the future cost to complete the Pace Circle project at Rs 2,670.533 million against which the abovementioned future cash inflows aggregating Rs 5,872.622 million will enable the Company to fully complete its Pace Circle project by June 30, 2026.

Furthermore, the Chief Executive, Mrs. Aamna Taseer and Directors, Mr. Shahbaz Ali Taseer and Mr. Shehryar Ali Taseer have jointly provided a letter of support dated 8 September 2024 to the Group wherein they have committed to support the Company to continue as a going concern.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/ settlement of any liabilities that might be necessary should the Group be unable to continue as a going concern.

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3 Basis of preparation

3.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at 30 June 2024.

Subsidiary Companies

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of the investments held by the Parent Company have been eliminated against the shareholders' equity in the subsidiary companies.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

All intracompany balances, transactions, income and expenses and profits and losses resulting from intracompany transactions that are recognized in assets, are eliminated in full.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

Non-Controlling Interests

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Parent Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

3.2 Statement of compliance

These consolidated 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 (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These Consolidated financial statements have been prepared under the historical cost convention except for the following:

- Investment property which is measured at fair value; and
- Retirement benefits at present value.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees ("Rs.") which is the Group's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

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4 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current year

The Group has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation

Amendments to accounting and reporting standards and interpretations which are effective during the year ended June 30, 2024.

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Group

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	**Effective Date (Annual periods beginning on or after)**
- IAS 21 - Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025
- IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
- IFRS 19 - Subsidiaries without Public Accountability	January 1, 2027
IFRS 18 - Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 17 Insurance Contracts (Notified by SECP for the period commencing from 1st January 2026)	January 1, 2023

The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Group.

5 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions 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 circumstances, and the results of which form the basis for making judgment about carrying value 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 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.

The areas where assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1 Estimates

	Note
- Provision for taxation	*6.2*
- Property, plant and equipment	*6.3*
- Intangibles	*6.4*
- Investment property valuation	*6.5*

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- Stock-in-trade	*6.6*
- Employee benefits	*6.13*
- Measurement of ECL allowance for trade debts	*6.16.5*
- Impairment on non-financial assets	*6.17*
- Contingent liabilities	*6.18*

5.2 Judgements

- Costs to complete the projects	*6.6*
- Satisfaction of performance obligations	*6.15*

6 Significant accounting policies

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

6.1 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They do not form part of the consolidated financial statements from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity and;
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the statement of profit and loss account as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financing company under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's

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previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the statement of profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This mean that amounts previously recognised in consolidated other comprehensive income are reclassified to statement of profit or loss.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in consolidated consolidated statement of profit or loss account and other comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide an evidence of impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies. On an acquisition-by-acquisition basis the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interests' proportionate share of acquiree's net assets. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

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6.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using enacted or substantially enacted at the reporting date and after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

6.3 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except for freehold land which is stated at cost less any identified impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Major repairs and improvements are capitalized. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

Depreciation on owned assets is charged to the statement of profit or loss on the reducing balance method except for building on leasehold land which is being depreciated using straight line method, so as to write off the cost of an asset over its estimated useful life at the annual rates given in note 23.1.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Group's estimate of the useful lives and residual values of its

Depreciation on additions to property, plant and equipment is charged from the date on which an asset is available for use is intended by the management and ceased when asset is derecognized.

The Group assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis at the rates specified in note 23.3 to the financial statements.

Capital work in progress

Capital work in progress is stated at cost, less any identified impairment loss. Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for intended use.

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6.4 Intangible assets

Computer Software

Expenditure incurred to acquire computer software is capitalized as an intangible asset and stated at cost less accumulated amortization (for finite useful life of intangible asset) and any identified impairment loss. Amortization is charged to statement of profit or loss on reducing balance method at an annual rate of 10% except optical fiber, as to write off the cost over its estimated useful life.

Optical Fiber

Expenditure incurred to acquire the rights to use optical fiber are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Amortization is charged to statement of profit or loss on straight line basis method at an annual rate of 5%, as to write off the cost over its estimated useful life.

The Group assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the amortisation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

6.5 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at fair value. Changes in fair value are recognized in consolidated statement of

If an item of property, plant and equipment becomes an investment property because its use has been changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation reserve for investment property. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in consolidated statement of profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the consolidated statement or profit or loss.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

6.6 Stock-in-trade

Land, condominiums, shops / counters and villas available for future sale are classified as stock-in-trade. These are carried at the lower of cost and net realisable value. Work-in-process comprises of condominiums, shops / counters and villas in the process of construction / development. Cost in relation to work-in-process comprises of proportionate cost of land, cost of direct materials, labour and appropriate overheads. Cost in relation to shops transferred from investment property is the fair value of the shops on the date of transfer and any subsequent expenditures incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

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6.7 Trade debts

Trade debts and other receivables are classified at amortized cost and are measured at invoice value less impairment allowance, if any. Trade debts where the ownership of the work in progress is transferred by the Group to the buyer as the construction progresses is recognised using the percentage of completion method. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years and loss given default. The impairment allowance is recognised in the consolidated statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

6.8 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

6.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, call deposits receipts, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and short term finance.

6.10 Borrowings

Borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

6.11 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated again at the reporting date.

6.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment and investment properties' based on their use and lease liabilities as separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

6.13 Employee benefits

The Group operates an unfunded gratuity plan covering all of its eligible employees who have completed the minimum qualifying period. The calculation of defined benefit obligation is performed by qualified actuary by using the projected unit credit method and charge for the year other than on account of experience adjustment is included in consolidated statement of profit or loss.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then - net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss.

The Group provides for accumulating compensated absences when the employees render service that increase the entitlement to future compensated absences. Under the rules all employees are entitled to 20 days leave per year, respectively. Unutilised leaves can be accumulated upto unlimited amount. Unutilised leaves can be used at any time by all employees, subject to the Group's approval.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss.

6.14 Creditors, accruals and other liabilities

Creditors, accruals and other liabilities 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 Group. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Provisions are recognised when the Group 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 can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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6.15 Revenue recognition

6.15.1 Revenue from contracts with customers

The Group recognises revenue when it transfers control over a good or service to a customer based on a five step model as set out in IFRS 15.

Step 1: **Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: **Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: **Determine the transaction price:** The transaction price is the amount of consideration the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: **Recognize revenue when (or as) the Group satisfies a performance obligation.**

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements except for service income earned on security, janitorial maintenance, administration and other utilities.

Development services

Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

The Group has elected to apply the input method. The Group considers that the use of input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned.

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Sale of property

Revenue from sale of land, condominiums, shops / counters and villas is recognised at point in time- when the control has been transferred to the customer. The control is usually transferred when possession is handed over to the customer.

Display of advertisements

Advertisement income is received by the Group against available space in Group's property provided to the customer for advertisement purpose. Income from display of advertisements is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs.

Service charges

Service charges are recognised in the accounting period in which services are rendered. Service income in respect of security, janitorial maintenance, administration and other utilities is presented on net basis.

6.15.2 Other revenue

Rental income from lease of investment property

Rental income arising from operating leases on investment properties is charged based on area lease out and recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

6.16 Financial instruments

6.16.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL') , transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.16.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ('FVOCI') – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets at amortised cost.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

6.16.3 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of profit or loss.

6.16.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.16.5 Impairment

The Group recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an mount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6.17 Impairment of non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

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6.18 Contingent liabilities

A contingent liability is disclosed when:

- There is a possible obligation that arises from past events and 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 Group; or
- There is present 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.

6.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, is a committee comprising of the Chief Executive Officer and the Chief Financial Officer.

6.20 Dividend

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in consolidated statement of changes in equity and as a liability in the Group's financial statements in the year in which it is declared by the Group's shareholders.

6.21 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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		2024	2023	2024	2023
		--- (Rupees in thousand) ---		--- (Number of Shares) ---	
7	**Share capital, reserves and non-controlling interests**				
7.1	**Authorised capital**				
	Ordinary shares of Rs. 10 each	**6,000,000**	6,000,000	**600,000,000**	600,000,000
7.2	**Issued, subscribed and paid-up capital**				
	Ordinary shares of Rs. 10 each fully paid in cash	**2,017,045**	2,017,045	**201,704,516**	201,704,516
	Ordinary shares of Rs. 10 each issued as bonus shares	**771,721**	771,721	**77,172,088**	77,172,088
		2,788,766	2,788,766	**278,876,604**	278,876,604

7.3 Ordinary shares of the Parent Company held by associated undertakings are as follows:

		2024	2023
	Basis of Relationship	--- (Number of Shares) ---	
First Capital Securities Corporation Limited	Common Directorship	**7,504,915**	7,504,915
First Capital Equities Limited	Common Directorship	**7,600,000**	7,600,000
		15,104,915	15,104,915

7.4 There has been no movement in ordinary share capital issued, subscribed and paid-up during the year ended 30 June 2024.

		2024	2023
		--- (Rupees in thousand) ---	
7.5	**Reserves**		
	Share premium reserve	**273,265**	273,265
	Share in reserves of associate	**-**	14,042
		273,265	287,307

7.5.1 This reserve can only be utilized by the Group for the purpose specified in Section 81 (2) of the Companies Act, 2017.

		Note	2024	2023
			--- (Rupees in thousand) ---	
8	**Long term finances - secured**			
	Pak Iran Joint Investment Company	*8.1*	58,695	66,860
	Less: Current maturity presented under current liabilities		(58,695)	(66,860)
			-	-

8.1 PAIR Investment Company Limited

On 28 December 2016, PAIR Investment Company Limited ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

8.1.1 Terms of repayment

In accordance with the settlement agreement, the remaining outstanding mark-up of Rs. 66.86 million has been rescheduled and is payable over a period of 7 years with no mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly instalments. Amortized cost had been determined using effective interest rate of 6% per annum. Movement is as follows:

	Note	2024	2023
		--- (Rupees in thousand) ---	
As at beginning of the year		66,860	66,860
Adjustment on account of default	*8.1.2.1*	-	-
Repaid		(8,165)	-
As at end of the year		58,695	66,860

8.1.2 Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.86 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops/counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.67 million.

8.1.2.1 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly instalment was due on 01 January 2020. Parent Company made a default in repayment of the instalment and no repayment was made till 30 June 2020. Pace, through its letter dated 17 July 2020, requested PAIR to defer the repayment plan for 24 months. However, no response from PAIR is received yet. Accordingly, we have classified the total balance outstanding as current liability as per the requirements of IAS 1 - Presentation of Financial Statement.

		Note	2024	2023
			--- (Rupees in thousand) ---	
9	**Redeemable capital - secured (non-participatory)**			
	Term finance certificates	*9.1*	805,118	815,691
	Settlement during the year			(10,573)
			805,118	805,118
	Less: Current maturity presented under current liabilities		(805,118)	(805,118)
			-	-

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9.1 Terms finance certificate

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73% , through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (2021: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During 2020, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to appraise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 and has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal was shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Company's properties situated at 124/E-1, Main Boulevard Gulberg III, Lahore, 38-A and 39 Block P, Model Town, Lahore, G.T. Road Gujrat, G.T. Road, Gujranwala, and first exclusive hypothecation charge over certain specific fixed assets, to the extent of Rs.2,000 million.

	Note	2024	2023
		--- (Rupees in thousand) ---	
10 Lease liability			
Present value of lease payments	*10.1*	172,776	178,822
Less: Current portion shown under current liabilities		(23,116)	(29,160)
		149,660	149,662
Movement during the year is as follows:			
Opening balance as at 01 July		178,821	183,668
Additions during the year		-	-
Unwinding of notional interest		24,838	24,733
Reclassified to accrued liabilities		(22,112)	(15,720)
Settlement of lease liability		-	(4,567)
Lease rentals paid		(8,771)	(9,294)
Closing balance as at 30 June		172,776	178,821

10.1 On 17 October 2018, Orix Leasing Company ('plaintiff') has filed a case in Banking Court VII against Pace (Pakistan) Limited ('the Company'). The plaintiff filed a suit claiming an amount of Rs. 47.10 million on account of loss in business of the plaintiff. The amount claimed by the plaintiff has already been booked in these financial statements. However, during the previous year, the Group has settled the matter with plaintiff by offering the full and final settlement amount of Rs. 12 million which the plaintiff has accepted. During the current year, total amount has been paid.

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		Note	2024	2023
			--- (Rupees in thousand) ---	
11	**Foreign currency convertible bonds - unsecured**			
	Opening balance		5,032,036	3,610,587
	Mark-up accrued during the year		-	
			5,032,036	3,610,587
	Exchange (gain)/ loss for the year	*11.2*	(153,517)	1,421,449
			4,878,519	5,032,036
	Less: Current portion shown under current liabilities		(4,878,519)	(5,032,036)
			-	-

11.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into an agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. As at 30 June 2022, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and includes accreted mark-up.

11.2 This represents exchange (gain)/ loss arising on translation of foreign currency convertible bonds.

12 Deferred liabilities

	Note	2024	2023
		--- (Rupees in thousand) ---	
Staff gratuity	*12.1*	92,628	48,043
Leave encashment	*12.2*	5,012	1,114
		97,640	49,157

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		Note	2024	2023
			--- (Rupees in thousand) ---	
12.1	**Staff gratuity**			
	Balance as at 01 July		74,582	44,726
	Included in statement of profit or loss:			
	Service cost		8,497	5,037
	Interest cost		11,568	5,880
			20,065	10,917
	Included in statement of comprehensive income:			
	Remeasurements:			
	Actuarial loss from changes in financial assumptions		(144)	268
	Experience adjustments		5,323	(6,537)
			5,179	(6,269)
	Other:			
	Benefits due but not paid (payable)		(7,197)	-
	Benefits paid		-	(1,330)
			(7,197)	(1,330)
	Balance as at 30 June		92,628	48,044
	Charge for the year has been allocated as follows:			
	Cost of revenue		8,026	4,367
	Administrative and selling expenses		12,039	6,550
			20,065	10,917

Plan Assets

The Group is operating an unfunded gratuity scheme and has not invested any amount for meeting the liabilities of the scheme.

		2024	2023
		--- (Rupees in thousand) ---	
12.2	**Leave encashment**		
	Balance as at 01 July	4,547	1,698
	Included in statement of profit or loss:		
	Service cost	940	181
	Experience adjustments	(1,245)	(990)
	Interest cost	783	225
		478	(584)
	Included in statement of comprehensive income:		
	Remeasurements:		
	Actuarial loss from changes in financial assumptions	-	-
	Experience adjustments	-	-
		-	-
	Other:		
	Benefits due but not paid (payable)	(13)	-
	Benefits paid	-	-
		(13)	-
	Balance as at 30 June	5,012	1,114

Charge for the year has been allocated to administrative and selling expenses.

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Plan Assets

The Group has not invested any amount for meeting the liabilities of the scheme.

12.3 Actuarial assumptions

	2024		2023	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Discount rate used for year end obligations	14.75%	14.75%	16.25%	16.25%
Expected rate of growth per annum in future salaries	13.75%	13.75%	15.25%	15.25%
Expected mortality rate	SLIC (2001-2005) Setback 1 Year			
Weighted average duration of defined benefit plan	5 Years	7 Years	5 Years	6 Years
Average number of leaves accumulated per annum by employees	-	-	-	5 days
Average number of leaves utilised per annum by employees	-	20 Days	-	15 days
Retirement age	Age 60	Age 60	Age 60	Age 60

12.4 The Group expects to charge Rs. 11.193 million to the Consolidated statement of profit or loss on account of gratuity in the year ending 30 June 2024.

12.5 Sensitivity Analysis

	2024		2023	
	Gratuity	Leave encashment	Gratuity	Leave encashment
	--- (Rupees in thousand) ---			
Year end sensitivity on defined benefit obligation:				
Discount rate + 100 bps	50,222	811	45,956	1,054
Discount rate - 100 bps	55,397	914	50,391	1,181
Salary increase + 100 bps	55,447	912	50,462	1,179
Salary increase - 100 bps	50,111	812	45,855	1,055

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

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12.6 The plans expose the Group to the actuarial risks such as:

Salary risks
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality / withdrawal risks
The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service/ age distribution and the entitled benefits of the beneficiary.

13 Financial Liabilities

These represent consideration received from purchasers against agreements to sell hotel rooms/ hotel apartments of Pace Circle project. According to the terms of the agreements, the purchasers would be entitled to a guaranteed fixed 8% annual rentals on the sale price subject to 20% increase after every three years on receipt of 100% consideration against the sale price. This transaction does not meet the criteria of a sale under IFRS-15 as the Group has a right to repurchase the hotel rooms/ apartments (the 'call option') at a fixed and pre-determined base rate of 5% annual capital gain on the sale price from the expected date of completion i.e. June 30, 2026. Consequently, the Group has recorded the consideration received as a financial liability under IFRS-9 at its fair values in the management expects the Group to exercise the call option at the end of the term. This comprises the following:

		2024	2023
		--- (Rupees in thousand) ---	
Consideration partially received	*13.1*	110,292	
Consideration fully received	*13.2*	592,082	
		702,374	-

13.1 Consideration partially received

The consideration received has been recorded at its fair value calculated as the present value using the most appropriate discount rate, which is either the Karachi Inter Bank Offered Rate(KIBOR)or, in certain cases, the adjusted Pakistan revaluation(PKRV)rate, plus2.5%perannum —this being the prevailing market rate for similar instruments. The present value has been calculated using a discount rate ranging from 10.00% to 25.47% per annum.

Since the Group can utilize the funds at no cost until the full consideration is received, after which rentals become payable, the difference between the fair value and the proceeds has been recorded in the statement of profit or loss as a gain on financing arrangements. Subsequently, the carrying value is unwound over the instalment term until the receipt of 100% consideration, with the related expense booked as finance cost in the statement of profit or loss. The reconciliation of the carrying amount is as follows:

	2024	2023
	--- (Rupees in thousand) ---	
Opening balance	158,350	-
Receipts during the year	18,084	-
Discounting gain on financing arrangement	(63,870)	-
Unwinding of financial liabilities	20,161	-
Extinguishment of financial liabilities	(17,833)	-
Closing balance	114,892	-
Current portion shown under current liabilities	(4,600)	-
	110,292	-

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13.2 Consideration fully received

	Note	2024	2023
		--- (Rupees in thousand) ---	
The reconciliation of the carrying amount is as follows:			
Opening balance		639,139	-
Transfer from partial consideration to full consideration		26,732	-
Receipts during the year against transfer to full consideration		4,759	-
Finance cost during the year		79,191	-
Extinguishment of financial liability		(66,169)	-
Rentals paid		(385)	-
Closing balance		683,267	-
Current portion shown under current liabilities	*13.2.1*	(91,185)	-
		592,082	-

13.2.1 The includes an amount of Rs 46.885million (2023: Rs 5.282 million) of rent payable to customers which was due to be paid during the year, however, payments were not made according to the schedule.

14 Consideration Payable To Customers

This represents the present value of the consideration payable to customers in respect of agreements to sell serviced apartments of Pace Circle project. According to the terms of the contract, the customer would been titled to guaranteed fixed 8% annual rentals on the sale price till the date possession is handed over to the customer that is estimated to be June 30,2026, as envisaged by the Company and are subject to 20% increase after every three years. However, such rentals are payable on payment of 100% consideration. Since the transactions were as sessed to be a sale under IFRS15, the Company has recorded the fair value of the consideration payable to the customers as a reduction of the transaction price as explained in note 4.17.2 to these financial statements. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		--- (Rupees in thousand) ---	
Opening balance		56,335	-
Recognised during the year		34,298	-
Finance cost during the year		5,893	-
Gain on modification		(9,998)	-
Rentals paid by the Company		(5,980)	-
Closing balance		80,548	-
Current portion shown under current liabilities	*Note 14.1*	(49,565)	-
		30,983	-

14.1 This includes an amount of Rs 27.475million (2023: Rs. 1.076 million) of rent payable to customers which was due to be paid during the year, however, payments were not made according to the schedule.

15 Deferred taxation

The liability / (asset) for deferred taxation comprises temporary differences relating to:

	2024	2023
	--- (Rupees in thousand) ---	
Accelerated tax depreciation	230,905	230,196
Profit recognized on percentage of completion basis not offered for tax	491,994	-
Notional loss	(2,850)	-
Loss on settlement of long-term financing	(265,845)	-
Provision for onerous contracts	(112,026)	-
Right-of-use assets and lease liability	44,242	44,242
Employee retirement benefits	(30,690)	(13,463)
Provision for net realisable value	(30,874)	(30,874)
Provision for doubtful receivables	(97,966)	(97,966)
Unused tax losses	(195,860)	(132,135)
Investment in associate	-	62,904
	31,030	62,904

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	2024	2023
	--- (Rupees in thousand) ---	
The gross movement in deferred tax liability during the year is as follows:		
Opening balance	397,168	62,904
Charged to OCI	(2,596)	
Charged to P/L	(363,542)	-
Closing balance	31,030	62,904

The Company has not recognised deferred tax assets of Rs. 7.78 million (2023: Rs. 8.34 million) in respect of tax losses, Rs. 755.95.472 million (2023: Rs. 833.472 million) in respect of unrealised exchange loss and Rs. 119.027 million (2023: Rs. 93.32 million) in respect of minimum tax paid available for carry forward under section 113 and 113C of the Income Tax Ordinance, 2001, as sufficient taxable profits would not be available to set these off in the foreseeable future. Minimum tax paid under section 113 of Income Tax Ordinance, 2001 amounting to Rs. 3.66 million, Rs. 3.21 million, 22.46 million, 3.02 million and 25.703 million which will lapse in the year 2025, 2026, 2027, 2028 and 2029 respectively. Alternate Corporate Tax ('ACT') paid under section 113C of Income Tax Ordinance, 2001 aggregating to Rs.55.22 million and Rs.20.30 million will lapse in the year 2027 and 2028, respectively. Tax losses amounting to Rs. 197.32 million, Rs. 243.05 million, Rs.81.44 million 93.32 million and 119.027 million will expire in year 2025, 2026, 2027, 2028 and 2029 respectively.

16 Contract liability

This principally represents advances received from various parties against sale of apartments and houses in Pace Tower project, Lahore and its breakup at 30 June 2024 is as follows:

	Note	2024	2023
		--- (Rupees in thousand) ---	
MCB Bank Limited		17,000	17,000
First Capital Investment Limited - related party		16,020	16,020
First Capital Securities Corporation Limited - related party		45,887	45,887
First Capital Equities Limited - related party		5,019	5,019
Serviced apartments		186,453	-
Pace apartments		83,891	-
Shops		239,262	-
Others		171,422	164,968
		764,954	248,894

17 Current maturity of long term liabilities

	Note	2024	2023
		--- (Rupees in thousand) ---	
Long term finances - secured	8	58,695	66,860
Redeemable capital - secured (non-participatory)	9	805,118	805,118
Financial Liabilities	13	95,785	-
Consideration payable to customers	14	49,565	-
Lease liability	10	23,116	29,160
Foreign currency convertible bonds - unsecured	11	4,878,519	5,032,036
		5,910,798	5,933,174

18 Creditors, accrued and other liabilities

	Note	2024	2023
Trade creditors	18.1	197,472	134,166
Provisions and accrued liabilities		414,773	328,630
Payable to statutory bodies		190,954	101,702
Advance against sale of investment property		292	217
Security deposits	18.2	18,836	59,560
Rentals against investment property received in advance		37,800	44,208
Retention money		10,742	5,461
Token Money		157	
Payable to contractors		-	2,699
Others	18.3	202,897	187,886
		1,073,923	864,529

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18.1 This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (2023: Rs. 0.09 million) under normal course of business and are interest free.

18.2 These represent security deposits received against rent of shops rented out in the plazas. Section 217 of Companies Act, 2017 requires that a Company or any of its officers or agents shall not receive or utilize any money received as security or deposit, except in accordance with a contract in writing. Keeping in view the requirements of this section, the Company has entered into agreements with third parties whereby it is expressly stated that the Company shall have the right to utilize the security deposit at its discretion. These amounts are normally utilized to bring the areas rented out for their intended use (upkeep expenditure).

18.3 This includes payables to related parties under normal course of business and are interest free.

Related Party	Relationship	2024	2023
		--- (Rupees in thousand) ---	
First Capital Equities Limited	Common Directorship	-	1,070
Evergreen Water Valley (Private) Limited	Common Directorship	80,894	80,894
		80,894	81,964

19 Provision for onerous contracts

This represents the provision in respect of loss-making contracts of Pace apartments and Service apartments of Pace Circle project entered into by the Company. The reconciliation of the carrying amount is as follows:

	2024	2023
	--- (Rupees in thousand) ---	
Balance at the beginning of the year	108,074	-
Provision for the year	179,173	-
Balance at the end of the year	287,247	-

20 Accrued finance cost

	2024	2023
Long term finances - secured	57,412	35,557
Redeemable capital - secured (non-participatory)	1,494,929	1,313,188
	1,552,341	1,348,745

21 This represents the down payment received for the sale of investment properties.

22 Contingencies and commitments

22.1 Contingencies

22.1.1 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 75 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

22.1.2 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

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On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honourable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

22.1.3 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 30 June 2024, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements

22.1.4 During the year 2021, the Company received invoices from Athar Marketing Network ('AMN') amounting to Rs 25.248 million in respect of marketing services rendered by it during the previous years. However, the Company's management has raised a dispute with AMN over the aforementioned matter on the grounds that these advertisements were not telecasted/displayed on air as represented by AMN. The management is confident that the dispute will ultimately be settled in the favour of the Company and no outflow of economic resources will be required. Consequently, no provision has been made in this regard in these financial statements.

22.2 Commitments

22.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Nil (2023: Rs. 26.27 million).

22.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in Favor of The Bank of Punjab, amounting to Rs. Nil (2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Note	2024	2023
			--- (Rupees in thousand) ---	
23	**Property, plant and equipment**			
	Operating fixed assets	*23.1*	**3,081,019**	380,939
	Capital work in progress	*23.2*	**2,045,773**	58,847
	Right-of-use assets	*23.3*	**95,635**	100,406
			5,222,427	540,192

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23.1 Operating fixed assets

	Freehold land *	Leasehold land **	Buildings on freehold land	Buildings on leasehold land ***	Plant and machinery	Electrical equipment	Office equipment and appliances	Furniture and fixtures	Computers	Vehicles	Total
						(Rupees in thousand)					
Net carrying value basis											
Year ended 30 June 2024											
Opening net book value	155,152	2,736,970	118,767	-	10,198	76,075	3,630	2,808	754	17,544	3,121,899
Additions (at cost)	-	-	-	-	-	11,123	65	-	25	-	11,213
Disposals	-	-	-	-	-	-	(1,079)	(190)	(45)	(1,075)	(2,389)
Transfers	-	(13,237)	-	-	-	-	-	-	-	-	(13,237)
Depreciation charge	-	(19,378)	(5,938)	-	(1,020)	(7,881)	536	(136)	(189)	(2,460)	(36,466)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	2,704,355	112,829	-	9,178	79,317	3,152	2,482	545	14,009	3,081,019
Gross carrying value basis											
As at June 2024											
Cost	155,152	2,769,583	221,948	-	78,794	207,078	12,823	16,696	14,318	78,295	3,554,687
Accumulated depreciation	-	(65,228)	(109,119)	-	(69,141)	(116,455)	(9,662)	(14,090)	(13,773)	(64,286)	(461,754)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	2,704,355	112,829	-	9,178	79,318	3,152	2,482	545	14,009	3,081,019
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	
Net carrying value basis							0				
Year ended 30 June 2023											
Opening net book value	155,152	-	125,018	-	11,331	84,528	2,059	2,182	225	20,972	401,468
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(6,251)	-	(1,133)	(8,453)	(206)	(218)	(74)	(4,194)	(20,529)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Gross carrying value basis											
As at June 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,853	1,964	151	16,778	380,939
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	

* Freehold land represents the uncovered area of Main Boulevard Project, M M Alam Road Project, Model Town Link Road Project, Gujranwala Project, Gujrat Project and Woodland Project which is not saleable in the ordinary course of business.

** Leasehold land represents a piece of land transferred in the name of the Company by the Ministry of Defence, measuring 20,354 square yards situated at Survey No. 131/A, Airport Road, near Allama Iqbal International Airport, Lahore Cantt. The Company secured the bid for the said piece of land on behalf of Pace Barka Properties Limited (PBPL), an associated undertaking, since at the time of bidding PBPL was in the process of incorporation. Subsequent to the bidding, payment was made by PBPL but the Ministry of Defence refused to transfer the said piece of land in the name of PBPL as it was not the original bidder, therefore the legal ownership has been transferred in the name of the Company. Consequently, to avoid additional transaction costs relating to transfer of legal ownership, the Company has entered into an agreement with PBPL, whereby the possession of the land and its beneficial ownership has been transferred to PBPL through an Irrevocable General Power of Attorney dated 15 May 2007.

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23.1.1 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immoveable property	Land Area (Square Feet)	*Covered Area (Square Feet)	Total Area (Square Feet)
38,38/A,39, Block P, Model Town Link Road, Lahore	Shopping plaza	22,050	70,152	92,202
40, Block P, Model Town Link Road, Lahore	Shopping plaza	22,995	21,933	44,928
Bridge Point Plaza, Fortress Stadium, Lahore Cantt.	Shopping plaza	7,695	16,204	23,899
96-B-I, M.M Alam Road, Gulberg - III, Lahore	Shopping plaza	18,112	68,087	86,199
Mouza Dhola Zarri, Main GT Road Gujranwala	Shopping plaza	21,148	53,601	74,749
Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat	Shopping plaza	27,000	85,347	112,347
124/E-1 Main Boulevard Gulberg III Lahore	Shopping plaza	40,757	81,601	122,358
Bedian Road, Lahore	Management office	7,875	-	7,875

The buildings on freehold land and other immovable assets of the Company are constructed / located at above mentioned freehold land.

*The covered area includes multi-storey buildings.

23.1.2 Detail of operating fixed assets disposed-off during the year is as follows :

Description	Cost	Book Value	Sale Proceeds	Gain/ (loss)	Mode of disposal	Particulars of purchasers	Relationship with the purchaser
Year Ended June, 30 2024					*Nil*		
Year Ended June, 30 2023					*Nil*		

23.1.3 Operating fixed assets include a vehicle, having cost of Rs. 1.39 million (2024: Rs. 1.39 million), which is fully depreciated but still in use as at 30 June 2024.

23.2 This represents Rs. 58.85 million related to the third floor of Pace Tower, covering an area of 4,261 square feet which is under construction and is to be held for use.

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23.2.1 Capital work-in-progress	Note	2024	2023
		--- (Rupees in thousand) ---	
Project under development - Pace Circle	23.2.1.1	1,961,296	-
Electrical equipment - Pace Circle		23,109	-
Advances to suppliers		2,521	-
	23.2.1.2	1,986,926	-

23.2.1.1 This represents the following project costs:

Hotel		
Building and construction cost	1,390,557	-
Borrowing cost	247,352	-
Direct costs	323,387	-
	1,961,296	-

23.2.1.2 The reconciliation of the carrying amount is as follows:

Opening balance	1,969,920	-
Additions during the year	3,769	-
Depreciation capitalised during the year	13,237	-
Closing balance	1,986,926	-

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		Note	2024	2023
			--- (Rupees in thousand) ---	
23.3	**Right-of-use assets**			
	Land			
	Cost			
	Balance as at 01 July		**119,496**	119,496
	Adjustment on initial application of IFRS 16		**-**	-
	Adjusted balance at 01 July		**119,496**	119,496
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**119,496**	119,496
	Accumulated depreciation			
	Balance as at 01 July		**(19,090)**	(14,320)
	Depreciation charge during the year		**(4,770)**	(4,770)
	Balance as at 30 June		**(23,861)**	(19,090)
	Closing net book value		**95,635**	100,406
	Rate of depreciation		**4%**	4%
	Electrical equipment			
	Cost			
	Balance as at 01 July		**15,339**	15,339
	Additions / (deletions) during the year		**-**	-
	Balance as at 30 June		**15,339**	15,339
	Accumulated depreciation			
	Balance as at 01 July		**(15,339)**	(12,017)
	Depreciation charge during the year		**(3,322)**	(3,322)
	Balance as at 30 June		**(18,661)**	(15,339)
	Closing net book value		**(3,322)**	-
	Rate of depreciation	*23.3.1*	**33%**	33%
23.4	Depreciation charge for the year has been allocated as follows:			
	Cost of revenue	*37.1*	**18,658**	22,948
	Administrative and selling expenses	*38*	**10,154**	5,673
			28,812	28,621

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	Note	2024	2023
		--- (Rupees in thousand) ---	
24 Intangible assets			
Optical fiber		9,508	2,257
Computer software		2,878	236
		12,386	2,493
24.1 Optical fiber - Royalty			
Cost		9,508	9,508
Accumulated amortisation			
As at 01 July			(6,775)
Amortisation for the year			(476)
Balance as at 30 June		-	(7,251)
Book value as at 30 June		9,508	2,257
Rate of amortisation		5%	5%
24.2 Computer software			
Cost		2,878	2,878
Accumulated amortisation			
As at 01 July			(2,616)
Amortisation for the year			(26)
Balance as at 30 June		-	(2,642)
Book value as at 30 June		2,878	236
Rate of amortisation		10%	10%

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	Cost		Fair value	
	2024	2023	**2024**	2023
	--- (Rupees in thousand) ---			
25 Investment property				
Balance as at 01 July	**883,931**	883,931	**2,384,556**	1,803,239
Addition	**-**	-	**752,840**	-
Fair value gain/(Loss) on initial recognition of ROU	**-**	-	**-**	-
Transfers to investment properties classified as held for sale	**-**	-	**(442,490)**	-
Transfer from PPE at cost	**80,894**	80,894	**-**	80,894
	964,825	964,825	**2,694,906**	1,884,133
Fair value gain/ (loss) recorded in statement of profit or loss	**-**	-	**(6,809)**	14,562
Disposal during the year	**(4,865)**	-		-
As at 30 June	**959,960**	964,825	**2,688,097**	1,898,694

25.1 The forced sale value of investment property excluding right-of-use asset amounts to Rs. 2,226.765 million (2023: Rs. 1,580.806 million).

Investment properties represent Parent Company's interest in land and buildings situated at Model Town Lahore, Gulberg Lahore, Gujranwala and Gujrat. On initial application of IFRS 16, the Parent Company recognised right-of-use asset arising as a result of head lease of shops / apartments situated at 4th floor of Model Town Lahore and 3rd and 4th floor of M.M Alam. The Parent Company has sub-leased the aforementioned properties and right-of-use asset arising from head lease has been classified as investment property.

These are either leased to third parties or held for value appreciation. Changes in fair values are recognised and presented separately as "Gain / (loss) from change in fair value of investment property" in the statement of profit or loss.

25.2 The Group still holds the title of plot-D but the property has actually been sold to First Capital Securities Corporation Limited (associated Company), however title documents are yet to transfer in favour of purchaser.

25.1.1 Fair Value

<u>Fair value hierarchy</u>

The fair value of investment property was determined by external, independent property valuer KG Traders, having appropriate recognised professional qualifications. The independent valuers provide the fair value of the Group's investment property portfolio annually. Latest valuation of these assets was carried out on 30 June 2024. The level 2 fair value of freehold land has been derived using the sales comparison approach. Level 3 fair value of Buildings has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of right-of-use assets has been determined using discounted cashflow method, whereby appropriate discount rate has been adjusted to arrive at the fair value.

The following is categorization of assets measured at fair value at 30 June 2024:

	Level 1	Level 2	Level 3	Total
	--- (Rupees in thousand) ---			
Freehold land	-	-	-	-
Buildings	-	-	2,619,646	2,619,646
Right-of-use assets	-	-	68,451	68,451
	-	-	2,688,097	2,688,097

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The following is categorization of assets measured at fair value at 30 June 2023:

	Level 1	Level 2	Level 3	Total
	--- (Rupees in thousand) ---			
Freehold land	-	-	-	-
Buildings	-	-	1,859,772	1,859,772
Right-of-use assets	-	-	38,922	38,922
	-	-	1,898,694	1,898,694

Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer fair value hierarchy for the valuation techniques adopted.

Description	**Significant Unobservable inputs**	**Quantitative data / range and relationship to the fair value**
Buildings	Cost of construction of a new similar building Suitable depreciation rate to arrive at depreciated replacement value	The market value has been determined by using a depreciation of approximately 5%-10% on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Right-of-use asset	Discount rate being used to discount the future cashflows.	The estimated fair value will increase / (decrease) if discounting rates were lower / (higher).

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26 Lease Receivable

26.1 The Parent Company has entered into a lease agreement as a lessor. Implicit Interest rate is 10% per annum. Instalment of Rs. 422,400 monthly which will be increased by 25% upon completion of every three years.

26.2 Maturity Analysis-- Contractual undiscounted cash flows

	Rupees	Rupees
Lease payments receivable		
1 - 3 years	**19,800,000**	18,374,400
4 - 6 years	**24,750,000**	22,968,000
7 - 9 years	**30,937,500**	28,710,000
10 - 12 years	**38,671,875**	35,887,500
13 - 15 years	**49,951,172**	44,859,375
More than 15 years	**323,171,997**	342,185,669
	487,282,544	492,984,944

26.3 Reconciliation

	2024	2023
	--- (Rupees in thousand) ---	
Total lease receivable	**487,283**	492,985
Less: Unearned finance income	**(367,057)**	(378,243)
Net investment in lease	**120,226**	114,742
Less: Current portion of lease receivable	**(6,336)**	(5,702)
Non Current portion of lease receivable	**113,890**	109,040

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	Note	2024	2023
		--- (Rupees in thousand) ---	
27 Investment in associate			
Associate - unquoted (accounted for under equity method) Pace Barka Properties Limited 75,875,000 (2023: 75,875,000) fully paid ordinary shares of Rs. 10 each Equity held: 24.86% (2023: 24.86%)	*27.1*	-	1,123,368

		2024	2023
27.1 Associate - unquoted			
Cost		758,651	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognised directly in consolidated profit and loss account		364,717	419,360
		1,123,368	1,178,011
Share of profit/(Loss) for the year			
- before taxation		(163,252)	(54,643)
- provision for taxation		(79)	-
		(163,331)	(54,643)
Share of other comprehensive loss		-	-
Balance as on February 14, 2024 (Acquisition date)	(A)	960,037	1,123,368
FV of Investment	(B)	889,255	-
Deemed loss	(B-A)	(70,782)	-

27.1.1 Pace Barka Properties Limited ("PBPL") was incorporated in Pakistan on 22 November 2005 as an unlisted public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of PBPL is to acquire, construct, develop, sell, rent out and manage shopping malls, appartments, villas, commercial buildings, etc. and to carry on the business of hospitality.

28 Long term advances and deposits

These are in the ordinary course of business and are interest free advances and deposits.

29 Stock-in-trade

	Note	2024	2023
		--- (Rupees in thousand) ---	
Land purchased for resale	*29.1*	500,312	930,765
Work in progress			
Pace Tower	*29.2*	651,800	650,158
Pace Circle	*29.3*	-	670,650
Pace Supermall		354,600	354,600
Pace Circle Project:			
Shopping mall and apartments:			
- Leasehold land		1,045,529	
- Building and construction cost		3,285,362	
- Borrowing cost		425,197	
- Direct costs		611,599	
Cost incurred to date		5,367,687	
Cost of sales to date		(3,859,520)	
Completed units - shops		152,677	168,091
		3,167,556	2,774,264
Stores inventory		-	392
		3,167,556	2,774,656

29.1 This represents plot purchased for resale purposes amounting to Rs. 500.312 million (2023: Rs. 930.765 million).

29.2 The Group does hold the title of capital work in progress which includes various shops and apartments situated at Pace Tower, Gulberg and Pace Circle Lahore, but the property has been sold to First Capital Securities Corporation Limited (associated Company), however the title documents of the property will be transfer on completion.

29.3 Pace Circle is a project carried by Pace Barka (Private) Limited (an associated company). The project is under construction as at year end. The Company has sold it's shop/stock during the current year.

	Note	2024	2023
		--- (Rupees in thousand) ---	
30 Trade debts			
Secured			
Considered good	*30.1*	1,490,622	635,083
Unsecured		460,110	423,074
		1,950,732	1,058,157
Less: Impairment allowance		(636,900)	(539,221)
		1,313,832	518,936

30.1 This includes the following amounts due from related parties:

	2024	2023
Rema & Shehrbano	4,893	4,738
First Capital Investment Limited & First Capital Mutual Fund	-	4,580
First Capital Equities Limited	114,822	118,441
First Capital Securities Corporation Limited	-	6,681
Connatural Cosmetics	706	1,450
	120,421	135,890

30.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 120.421 million (2023: Rs. 135.89 million).

	Note	2024	2023
31 Contract Assets		--- (Rupees in thousand) ---	
Serviced apartments		2,381	-
Pace apartments		31,924	-
Shops		355,524	-
Total Contract assets		389,829	-

	Note	2024	2023
32 Advances, deposits, prepayments and other receivables			
Advances - considered good:			
- to employees	*32.1*	3,563	11,750
- to suppliers	*32.2*	25,551	29,087
Advance against purchase of property		-	-
Sales tax refundable	*32.3*	6,133	-
Security deposits		785	785
Others - considered good	*32.4 & 32.5*	92,896	44,087
		128,928	85,709

32.1 Advances to employees include advances against salary and gratuity, repayable within one year and at the time of final settlement, respectively. This includes Rs. 1.83 million (2023: Rs. 5.67 million) advance given to executive employee of the Group.

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32.2 The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 28.75 million (2023: Rs. 7.07 million)

32.3 This represents the amount of sales tax refundable with respect to deduction of sales tax made by Federal Board of Revenue ('FBR') wherein Deputy Commissioner Inland Revenue ('DCIR') had allegedly claimed that the Company had not withheld and paid sales tax on advertisement services as required under SRO 660(I)/2007 dated June 30, 2007 during the years 2011 and 2013, whereas its income tax returns for the said years indicated that it had declared alleged advertisement services involving sales tax amounting to Rs 4.510 million. The remaining deduction by FBR represents default surcharge of Rs 1.938 million and penalty amounting to Rs 0.225 million.

On September 18, 2015 the DCIR deducted a total of Rs 6.134 million in respect of the said demand against which the Company filed an appeal before the Commissioner Inland Revenue Appeals ('CIR-A') under section 46 of the Sales Tax Act, 1990, on the same date. The CIR-A through its order dated September 26, 2015 annulled the demand order of the DCIR. The Company has filed a claim for refund for the aforesaid amount which is pending as of June 30, 2024. Based on the favourable order from the CIR-A, the Company believes that the amount is unimpaired as of the reporting date.

32.4 This includes Rs 13.250 million (2023: Rs 13.250 million) due from Mr. Adnan Naseem Sethi (herein after referred to as the 'Purchaser') in respect of sale of land, measuring total area of 9 Kanals and 8 Marlas, situated in Gujrat (the 'land'). The title of the land has not been transferred as the only impediment in the transfer of title to the Purchaser was the non-issuance of No Objection Certificate ('NOC') from one of the Company's previous lenders whose liability had been settled. During the year ended June 30, 2018, the NOC was issued by the lender and the Company initiated the process of transferring the title of the land. A Memorandum of Understanding ('MOU') dated September 2, 2019 was signed between the Company and the Purchaser according to which the Purchaser was required to settle the outstanding amount within three months of the signing of the MOU. Such settlement was agreed to be made through transfer of shops owned by the Purchaser to the Company, the market value of which was to be determined by an independent valuer. However, the Company and the Purchaser are yet to agree on a mutually acceptable market value for such shops. Since the receivable is secured against the title of land, which is with the Company, management believes that the amount is unimpaired as of the reporting date.

32.5 This includes rent receivable from a related party 'Media Times Limited' amounting to Rs. 27.514 million (2023: Rs. 13.38 million). The amount also includes impairment allowance of Nil (2023: Nil) recognised in the current year.

	Note	2024	2023
		--- (Rupees in thousand) ---	
33 Income tax refundable - net			
Income tax refundable	*33.1*	46,308	32,367
Provision for taxation - current		(25,864)	(3,023)
		20,444	29,344

33.1 This represents mainly withholding tax deducted from profit on bank deposits and rental income from property and advance tax paid on electricity bills under Section 151, 152 and 235, respectively of the Income Tax Ordinance, 2001.

	Note	2024	2023
		--- (Rupees in thousand) ---	
34 Cash and bank balances			
Cash in hand		955	16
Cash at banks			
- Current accounts	*34.1*	32,011	19,106
- Saving accounts	*34.2*	3,128	836
Impairment allowance for expected credit loss		(302)	(302)
		34,837	19,640
		35,792	19,656

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34.1 This includes Rs. 17 million (2023: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

34.2 This carries profit at the rates ranging from 7.50% to 20.50% (2023: 5.75% to 19.5%) per annum.

35 Investment property classified as held for sale

This represents freehold land measuring 3,983 kanals, situated at Mouza Balkasar, Mouza Mureed and Mouza Rahana Sadat, Kalar Kahar, District Chakwal, Punjab, Pakistan. The Board of Directors resolved, through circulation, dated September 26, 2023, to negotiate and sell such property. Further, during the year, on October 19, 2023, the Company entered into a triparte agreement with outside parties for sale of such property with agreement effective from September 27, 2023 and having an agreed consideration of Rs 450,000,000 to be received in four instalements with latest amount to be paid by July 20, 2024, with conditions attached.

The land has been transferred from 'Investment properties' at its fair value to 'Investment properties classified as held for sale,' in line with IFRS provisions.

Of the total agreed consideration of Rs 450,000,000, the Company has received Rs 170,000,000 as of the reporting date. The purchaser has not settled the outstanding payments as per the agreement, raising concerns about the enforceability of the contract. As per the requirements of IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations, the property shall continue to be classified as held for sale.

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	Note	2024	2023
		--- (Rupees in thousand) ---	

36 Revenue

	Note	2024	2023
Sale of Pace Tower units	*36.1*	80,360	-
Sale of Completed Units - Others		1,779,538	9,773
Revenue - shops and apartments		(275,714)	
Reversal of revenue on repurchase of inventory		47	
Sale of Land		-	-
Display of advertisements		5,671	6,547
Service charges		129,094	123,759
Revenue from contract with customers		**1,718,997**	140,079
Other revenue			
Rental income from lease of investment property		61,581	101,730
Total revenue		**1,780,578**	241,809

36.1 Development services recognised at percentage of completion basis

	2024	2023
Revenue recognised to date	1,778,089	1,697,729
Aggregate cost incurred to date	(1,442,745)	(1,416,173)
Recognised profit to date	335,345	281,555

The revenue arising from agreements, that meet the criteria for revenue recognition on the basis of percentage of completion method, during the current year, the Group earned 36.569 million profit. (2023: Nil).

36.3 Disaggregation of revenue

	2024	2023
Timing of revenue recognition		
In time	9,773	9,773
Over time	232,036	232,036
	241,809	241,809

36.4 Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Note	2024	2023
		--- (Rupees in thousand) ---	
Receivables, which are included in trade debts	*30*	1,950,732	1,058,157
Contract liability	*36.4.1 & 16*	764,954	248,894

36.4.1 The contract liabilities primarily relate to the advance consideration received from customers against sale of properties and development services.

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	Note	2024	2023
		--- (Rupees in thousand) ---	
37 Cost of revenue			
Shops and commercial buildings sold			
- at percentage of completion basis	*37.2*	736,362	-
- at completion of project basis		551,835	8,940
Charge for onerous contracts		179,174	
Reversal of cost of sales on repurchase of inventory		(279,565)	
Stores operating expenses	*37.1*	115,890	109,849
		1,303,696	118,789

	Note	2024	2023
		--- (Rupees in thousand) ---	
37.1 Stores operating expenses			
Salaries, wages and benefits	*37.1.1*	41,107	38,303
Rent, rates and taxes		14,638	14,868
Depreciation on owned assets	*23.4*	13,888	14,856
Depreciation on right-of-use assets	*23.4*	4,770	8,092
Repairs and maintenance		10,730	4,024
Janitorial		1,315	1,741
Fuel and Power		29,442	27,964
Others		-	-
		115,890	109,849

37.2 During the year ended June 30, 2014, the Company and The Bank of Punjab ('BOP') agreed to settle all the outstanding liabilities of the Company as at August 31, 2013 against 96 identified shops ('SWAP properties') at Pace Circle Project for a consideration of Rs 259.596 million. The Company had a right to repurchase the SWAP properties till September 01, 2015 at a repurchase price worked out by adding a mark up of 9.57% per annum in the prevailing cost. During the year ended June 30, 2016, the facility to repurchase the SWAP properties from BOP expired and the Company entered into a new restructuring agreement with BOP and agreed to settle all the outstanding liabilities, as at October 08, 2015, of the Company against additional 15 SWAP properties at Pace Circle Project by October 08, 2017. Other terms remained unchanged from the previous agreement other than mark up of 9.57% per annum to be further accrued on the extended period.

During the year 2022, the Company and BOP executed the debt-property swap arrangement and consequently, a total area of 51,728 square feet was transferred to BOP as full and final settlement of .BOP loan outstanding as at June 28, 2022.

During the current year, construction cost related to the aforementioned shops amounts to Rs 5.385 million (2023: Rs 6.865 million). The same has been recorded under "other expenses".

37.1.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment:

	2024	2023
Current service cost	2,399	2,087
Interest cost	3,015	2,046
	5,414	4,133

38 Administrative and selling expenses

	Note	2024	2023
		--- (Rupees in thousand) ---	
Salaries, wages and benefits	38.1	83,636	61,410
Travelling and conveyance		13,281	1,387
Rent, rates and taxes		4,704	2,285
Insurance		2,636	1,319
Printing and stationery		1,013	160
Entertainment		5,096	-
Repairs and maintenance		34,698	21,464
Motor vehicles running		8,321	1,481
Communications		1,548	597
Advertising and sales promotion		-	16
Depreciation on owned assets		10,154	5,673
Amortisation on intangible assets		500	502
Auditors' remuneration		8,082	4,214
Legal and professional		6,054	5,968
Commission on sales		78	4,830
Office expenses		2,692	988
Impairment loss on trade and other receivables	24	97,679	210,528
Impairment loss on Inventory	38.2	7,146	169
Impairment loss on Investment in Subsidiaries		648	
Write-off - trade and other receivables		12,361	-
Other expenses		5,644	5,888
		305,972	328,879

38.1 Salaries, wages and benefits include following in respect of gratuity and leave encashment

	2024	2023
Current service cost	3,599	3,131
Interest cost	4,523	3,069
	8,122	6,200

38.2 Auditors' remuneration

The charges for auditors' remuneration includes the following in respect of auditors' services for:

	Note	2024	2023
		--- (Rupees in thousand) ---	
Statutory audit		5,521	2,495
Half yearly review		847	847
Audit of consolidated financial statements		350	220
Statutory certification		110	110
Out of pocket expenses		904	542
Group Reporting		350	-
		8,082	4,214

39 Other Expenses

	2024	2023
Construction and direct cost related to shops under loan settlement	5,385	-
Provision for penalties	5,403	-
Others	1,143	-
	11,931	-

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		Note	2024	2023
40	**Other income**			
	Income from financial assets		--- (Rupees in thousand) ---	
	Mark-up on bank accounts		5,284	120
	Commission on guarantee		-	1,238
	Finance Income from Lease Receivable		11,186	10,646
	Income from non-financial assets			
	Reversal of impairment loss on inventory		642	30,765
	Gain on sale of property, plant and equipment		1,698	-
	Others			
	Gain on settlement of loans		1,406	12,631
	Gain on modification of consideration payable to customers		9,998	-
	Gain on extinguishment of financial liabilities		443	
	Others		5,352	5,231
	Liabilities Written-back		174,897	60,001
			210,906	120,632
41	**Finance cost**			
	Interest and mark-up on:			
	- Long term finances - secured		15,538	17,276
	- financial liabilities		20,304	-
	- Redeemable capital - secured (non-participatory)		181,742	140,366
	- consideration payable for serviced apartments		4,352	
	Unwinding of discount on financial liabilities		6,519	
	Provision for default surcharge		8,531	-
	Notional interest on lease liability		24,838	24,733
			261,824	182,375
	Liquidated damages due to default of Pak Iran loan		-	-
	Bank charges and processing fee		313	166
			262,137	182,541
42	**Minimum Tax**			
	Minimum Tax	*42.1*	25,864	3,023

42.1 This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		2024	2023
		--- (Rupees in thousand) ---	
43	**Taxation**		
	Income Tax		
	- Current Year	-	-
	- Prior Year	-	-
		-	-
	Deferred tax for the year	(363,542)	-
		(363,542)	-

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001.

The relationship between income tax expense and accounting profit has not been presented in these financial statements as the tax liability is calculated under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

44 Earning/ (Loss) per share - basic and diluted

The calculation of basic and diluted loss per share has been based on the following profit attributable to ordinary shareholders of the Parent Company and weighted-average number of ordinary shares outstanding. There are no dilutive potential ordinary shares outstanding as at 30 June 2024 (2023: Nil).

	2024	2023
	--- (Rupees in thousand) ---	
Profit/ (Loss) for the year attributable to owners of the Parent Company	1,007,987	(1,732,321)
Weighted average number of ordinary shares outstanding during the year	278,877	278,877

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	Note	2024	2023
		--- (Rupees in thousand) ---	
45 Cash (used in) / generated from operations			
Profit/ (Loss) before minimum tax and income tax		**670,309**	(1,729,298)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	*11.2*	**(153,517)**	1,421,449
Bargain Purchase gain		**(596,097)**	-
Deemed Loss		**70,782**	-
Provision for gratuity and leave encashment	*12.1 & 12.2*	**20,543**	10,333
Depreciation on owned assets		**24,042**	20,529
Depreciation on right-of-use assets	*23.4*	**4,770**	8,092
Amortisation on intangible assets	*24*	**500**	502
(Gain)/loss on extinguishment of financial liabilities		**(443)**	-
Provision for onerous contracts		**179,174**	-
Gain on sale of operating fixed assets		**(1,698)**	-
Gain on financing arrangements		**(63,870)**	-
Changes in fair value of investment property	*25*	**(6,809)**	14,562
Share of profit/ (loss) from associate		**163,331**	54,643
Impairment loss on trade debts and other receivables		**97,679**	210,528
Write down of inventory to net realisable value		**7,146**	169
Write-off - trade and other receivables		**12,361**	-
Finance costs	*41*	**261,824**	182,375
Mark-up income	*40*	**-**	(120)
Non cash income	*40*	**(203,481)**	(83,278)
Gain before working capital changes		**486,547**	110,485
Effect on cash flow due to working capital changes:			
(Increase)/ Decrease in stock-in-trade		**556,334**	(107,891)
(Increase)/ Decrease in trade debts		**(495,505)**	(17,195)
Decrease in contract asset		**112,709**	-
(Increase)/ Decrease in advances, deposits and other receivables		**(30,215)**	4,760
Increase/ (Decrease) in contract liability		**(68,838)**	29,164
Increase/ (Decrease) in creditors, accrued and other liabilities		**92,426**	96,192
		166,911	5,030
		653,458	115,515

46 Cash and cash equivalents

	Note	2024	2023
Cash and bank balances	*34*	**35,792**	19,656

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47 Reconciliation of movement of liabilities to cash flows arising from financing activities

	30 June 2024							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Long term finances - secured	Redeemable capital - secured (non-participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	— (Rupees in thousand) —							
Balance as at 01 July 2023	2,788,766	273,265	-	66,860	935,571	175,196	5,163,226	1,288,043
Cash flows								
Long term loan paid during the year	-	-	-	(8,165)	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(8,771)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	(8,165)	-	(8,771)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	(153,517)	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	-
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(22,112)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,838	-	203,596
Total non-cash changes	-	-	-	-	-	2,726	(153,517)	203,596
Balance as at 30 June 2024	2,788,766	273,265	-	58,695	935,571	169,151	5,009,709	1,491,639

...of trade debts against properties including related parties at reporting date is as follows:

	30 June 2023							
	Equity			Liabilities				
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Long term finances - secured	Redeemable capital - secured (non-participatory)	Lease liability	Foreign currency convertible bonds - unsecured	Accrued finance cost
	— (Rupees in thousand) —							
Balance as at 01 July 2022	2,788,766	273,265	-	66,860	935,571	180,043	3,741,777	1,143,032
Cash flows								
Long term loan paid during the year	-	-	-	-	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(9,294)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	-	(9,294)	-	-
Non-cash changes								
Exchange (gain)/ loss	-	-	-	-	-	-	1,421,449	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	(149,715)
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	(4,567)	-	-
Reclassified to accrued liabilities	-	-	-	-	-	(15,720)	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	24,733	-	294,726
Total non-cash changes	-	-	-	-	-	4,446	1,421,449	145,011
Balance as at 30 June 2023	2,788,766	273,265	-	66,860	935,571	175,196	5,163,226	1,288,043

... counterparties are of domestic origin. Ageing of the trade debts is as under:

... data is as follows:

48 Transactions with related parties

The related parties comprise of associated company, other related companies, directors of the Group under common directorship and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these consolidated financial statements and remuneration of key management personnel is disclosed in note 51. All transactions with related parties have been carried out on mutually agreed terms and conditions. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	2024	2023
			— (Rupees in thousand) —	
Ever Green Water Valley (Private) Limited	**Common Directorship**	Sale during the year	-	-
		Purchase of floor / plot	-	80,894
		Payment against purchase of plot	-	-
		Purchase of goods and services	28,214	107,892
First Capital Equities Limited	**Common Directorship**	Sale during the year	-	-
		Rental income	-	-
Media Times Limited	**Common Directorship**	Rental income	5,702	5,069
		Advertisement expense	-	-
Connatural	**Common Directorship**	Service charges	-	-
Be Yourself (Private) Limited	**Common Directorship**	Sales during the year	57,261	-

All the counterparties are of domestic origin. Ageing of the due ...

... parties including related parties at reporting date is as follows:

2023

49 Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

49.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. As part of these processes the financial viability of all counterparties are regularly monitored and assessed.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

	Note	2024	2023
		--- (Rupees in thousand) ---	
Long term advances and deposits		16,113	15,248
Trade debts	30	1,313,832	518,936
Advances, deposits, prepayments and other receivables	31	128,928	85,709
Bank balance	34	34,837	19,640
Lease Receivable		120,226	114,742
Contract asset		-	356,817
		1,613,936	1,111,092

Trade receivables

All the counterparties are of domestic origin. Ageing of the trade debts is as under:

The ageing of trade debts against properties including related parties at reporting date is as follows:

	2024		2023	
	Gross	Impairment	Gross	Impairment
		--- (Rupees in thousand) ---		
- Past due 0 - 365 days	438,217	(636,900)	122,189	(539,221)
- 1 - 2 years	652,172		47,052	
- More than 2 years	972,428		888,916	
	2,062,816	(636,900)	1,058,157	(539,221)

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Bank balances

The Group held bank balances of Rs. 34.84 million at 30 June 2024 (2023: Rs. 22.42 million).

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of impairment allowance at 30 June 2024 is Nil. (2023: Nil)

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating		
	Short term	Long term	Agency	2024	2023
				--- (Rupees in thousand) ---	
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	143	56
Allied Bank Limited	A1+	AAA	PACRA	38	41
Askari Bank Limited	A1+	AA+	PACRA	10	8
Bank Alfalah Limited	A1+	AAA	PACRA	2	1
Bank Islamic Pakistan Limited	A1	AA-	PACRA	12	11
Faysal Bank Limited	A1+	AA	PACRA	1,718	1,718
Habib Bank Limited	A-1+	AAA	VIS	0	-
MCB Bank Limited	A1+	AAA	PACRA	33,097	17,762
Silk Bank Limited	A-2	A-	VIS	80	5
Soneri Bank Limited	A1+	AA-	PACRA	13	11
United Bank Limited	A-1+	AAA	VIS	6	6
				35,139	19,620

49.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group maintains adequate reserves, by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities. Financial liabilities comprise trade and other payables and due to related parties.

Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments.

	2024				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
			— (Rupees in thousand) —		
Long term finances - secured	58,695	58,695	58,695	-	-
Redeemable capital - secured (non-participatory)	(805,118)	805,118	805,118	-	-
Lease liability	172,776	172,776	23,116	64,013	85,647
Foreign currency convertible bonds - unsecured	4,878,519	4,878,519	4,878,519	-	-
Creditors, accrued and other liabilities	1,073,923	1,073,923	1,073,923	-	-
Accrued finance cost	1,552,341	1,552,341	1,552,341	-	-
	6,931,136	8,541,372	8,391,712	64,013	85,647

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	2023				
	Carrying amount	Contractual cashflows	One year or less	One to five years	More than five years
	--- (Rupees in thousand) ---				
Long term finances - secured	66,860	66,860	66,860	-	-
Redeemable capital - secured (non-participatory)	815,691	805,118	805,118	-	-
Lease liability	178,822	178,822	29,160	58,570	91,093
Foreign currency convertible bonds - unsecured	5,032,036	5,032,036	5,032,036	-	-
Creditors, accrued and other liabilities	864,529	864,529	864,529	-	-
Accrued finance cost	1,348,745	1,348,745	1,348,745	-	-
	8,306,683	8,296,110	8,146,448	58,570	91,093

49.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

49.4 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Group is not exposed to foreign currency risk as at the reporting date.

The Group is exposed to currency risk arising from primarily with respect to the United States Dollar (USD). Currently, the Group's foreign exchange risk exposure is restricted to foreign currency convertible bonds. The Group's exposure to currency risk was as follows:

	2024	2023
Following is the Group's exposure to currency risk:	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	17,527	17,527

The exchange rate applicable at the reporting date is 278.34 (2023: 287.10)

49.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2024		2023	
		Financial asset	**Financial liability**	Financial asset	Financial liability
Non-derivative financial - instruments	*Note*	— (Rupees in thousand) —			
Fixed rate instruments					
Long term finances - secured	*8*	-	**58,695**	-	66,860
Foreign currency convertible bonds	*11*	-	**4,878,519**	-	5,032,036
Lease liability	*10*	-	**172,776**	-	178,822
Cash at bank	*34*	**3,128**	-	836	-
Variable rate instruments					
Redeemable capital - secured	*9*	-	**805,118**	-	805,118
		3,128	**5,915,108**	836	6,082,836

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

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Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss 100 bps			
	2024		2203	
	Increase	Decrease	Increase	Decrease
	--- (Rupees in thousand) ---			
	(8,051)	8,051	8,051	(8,051)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Compan

49.6 Other price risk

Other 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 interest rate risk or currency risk).

49.7 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents.

	2024	2023
	--- (Rupees in thousand) ---	
Total liabilities	10,600,950	8,657,065
Less: cash and cash equivalents	(35,792)	(19,656)
Net debt	10,565,159	8,637,409
Total equity	(283,990)	(1,264,240)
Net debt to equity ratio	(37.20)	(6.83)

50.1 Fair value measurement of financial instruments

		30 June 2023					
		Carrying amount			Fair value		
	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
<u>30 June 2023</u>							
<u>Financial assets not measured at fair value</u>							
Long term advances and deposits		15,248	-	15,248	-	-	-
Trade debts		518,936	-	518,936	-	-	-
Cash and bank balances		19,656	-	19,656	-	-	-
Lease Receivables		114,742		114,742			
Contract Assets		356,817		356,817			
	50.2	1,025,399	-	1,025,399	-	-	-
<u>Financial liabilities not measured at fair value</u>							
Long term finances - secured		-	66,860	66,860	-	-	-
Redeemable capital - secured (non-participatory)		-	(815,691)	(815,691)	-	-	-
Lease liability		-	178,822	178,822	-	-	-
Foreign currency convertible bonds - unsecured		-	5,032,036	5,032,036	-	-	-
Creditors, accrued and other liabilities		-	434,197	434,197	-	-	-
Accrued finance cost		-	1,348,745	1,348,745	-	-	-
	50.2	-	6,244,969	6,244,969	-	-	-

50.2 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

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Pace (Pakistan) Limited
Notes to the Consolidated Financial Statements
For the year ended 30 June 2024

50 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		30 June 2024					
		Carrying amount			Fair value		
	Note	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
		--- (Rupees in thousand) ---					
Financial instruments							
30 June 2024							
Financial assets not measured at fair value							
Long term advances and deposits		16,113	-	16,113	-	-	-
Trade debts		1,313,832	-	1,313,832	-	-	-
Cash and bank balances		35,792	-	35,792	-	-	-
Lease Receivables		120,226		114,742			
Contract Assets		-		356,817			
	50.2	1,485,963	-	1,837,296	-	-	-
Financial liabilities not measured at fair value							
Long term finances - secured		-	58,695	58,695	-	-	-
Redeemable capital - secured (non-participatory)		-	805,118	805,118	-	-	-
Lease liability		-	172,776	172,776	-	-	-
Foreign currency convertible bonds - unsecured		-	4,878,519	4,878,519	-	-	-
Creditors, accrued and other liabilities		-	468,196	468,196	-	-	-
Accrued finance cost		-	1,552,341	1,552,341	-	-	-
	50.2	-	7,935,645	7,935,645	-	-	-

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51 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Group is as follows:

	DIRECTORS					
	Chief Executive		Executive		Executives	
	2024	2023	2024	2023	2024	2023
	--- (Rupees in thousand) ---					
Managerial remuneration	**11,600**	11,600	**12,770**	10,286	**17,442**	10,191
House allowance	**4,640**	4,640	**5,108**	4,114	**6,978**	4,076
Utilities	**1,160**	1,160	**1,277**	1,029	**1,746**	1,020
Staff retirement benefit-Gratuity	**950**	950	**682**	341	**893**	893
Leave encashment	**1,267**	633	**2,508**	1,697	**1,360**	1,568
	19,617	18,983	**22,345**	17,466	**28,419**	17,747
Number of persons	**1**	1	**2**	1	**7**	7

52 Number of employees

	2024	2023
Total number of employees as at 30 June	**187**	196
Average number of employees during the year	**188**	218

53 Date of authorization for issue

These consolidated financial statements were authorized for issue on 04th October 2024 by the Board of Directors of the Group.

54 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. However, there is no material changes / reclassification.

Chief Executive Officer

Director

Chief Financial Officer

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FORM OF PROXY

The Company Secretary
Pace (Pakistan) Limited
First Capital House
96-B/1, M.M. Alam Road
Gulberg-III
Lahore

Folio No./CDC A/c No.: ______________
Shares Held: ______________

I/We ______________________________ S/o D/o W/o ______________ CNIC ______________ being the member(s) of Pace (Pakistan) Limited hereby appoint Mr./Mrs./Ms./ ______________ S/o D/o W/o ______________ CNIC ______________ or failing him / her Mr. / Mrs. Miss ______________ S/o. D/o. W/o. ______________ CNIC ______________ as my/our proxy to vote for me/us and on my/our behalf at the Annual General meeting of the Company to be held on 28 October 2024 at 11:00 a.m. and at any adjournment thereof.

Signed under my/our hands on this ______________ day of ______________, 2024

Affix Revenue Stamp of
Rupees Fifty

____
Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

____
Signature of Witness 1

____
Signature of Witness 2

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
   a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.

   b) b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

پراکسی فارم

فولیونمبر/CDC اکاؤنٹ نمبر: ______________
ملکیتی حصص: ______________

کمپنی سیکریٹری
پیس (پاکستان) لمیٹڈ
فرسٹ کیپٹل ہاؤس
96-B/1، ایم ایم عالم روڈ،
گلبرگ-III، لاہور

میں/ ہم.................................ولد/ بنت/ زوجہ.................................شناختی کارڈ نمبر.................................

بطور رکن (اراکین) پیس (پاکستان) لمیٹڈ مسمی/ مسماۃ................................. ولد/ بنت/ زوجہ.................................

شناختی کارڈ نمبر .... یا اس /ان کی عدم حاضری پر مسمی/ مسماۃ.................................

ولد/ بنت/ زوجہ.................................شناختی کارڈ نمبر.................................کو مؤرخہ 28 اکتوبر 2024ء کو دن 11:00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا مابعد نشست میں اپنی جانب سے ووٹ کرنے کے لئے اپنا پراکسی مقرر کرتا/ کرتی/ کرتے ہوں/ ہیں۔

مؤرخہ.................................2024ء کو میرے دستخط سے جاری ہوا۔

پچاس روپے کی ریوینیوٹکٹ چسپاں کریں

____
دستخط رکن
(دستخط کمپنی کے ساتھ رجسٹرڈ دستخط کے مطابق ہونے چاہئیں)
مندرجہ ذیل کی موجودگی میں دستخط کئے گئے:

______________ ______________

دستخط گواہ 1 **دستخط گواہ 2**

مندرجات:

1) اجلاس میں شرکت اور رائے شماری کرنے کا/ کی اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے/ دوسری رکن کو اپنا/ اپنی پراکسی مقرر کرسکتا/ سکتی ہے۔ مؤثر کرنے کی غرض سے پراکسیز اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔

2) کارآمد کرنے کی غرض سے پراکسی کا دستاویز اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت یہ دستخط شدہ ہو یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع فرسٹ کیپٹل ہاؤس، 96-B/1، لوئر گراؤنڈ فلور، ایم ایم عالم روڈ، گلبرگ III، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہئے۔

a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بینی فیشل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ جس پر nominees کے نمونہ کے دستخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

b) پراکسیز کے تقرر کے لئے، CDC کا فرد واحد بینی فیشل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرائے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ پراکسی فارم کے ساتھ جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔