

PACE (PAKISTAN) LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2022

Pace (Pakistan) Limited

Company Information

Board of Directors

Shehryar Ali Taseer (Chairman)	Non-Executive
Aamna Taseer (CEO)	Executive
Shahbaz Ali Taseer	Executive
Shehribano Taseer	Non-Executive
Mian Ehsan Ul Haq	Non-Executive
Kanwar Latafat Ali Khan	Independent
Shavez Ahmad	Independent

Chief Financial Officer

Sarim Sohail

Audit Committee

Shavez Ahmad (Chairman)
Mian Ehsan Ul Haq
Kanwar Latfat Ali Khan

Human Resource and Remuneration (HR&R) Committee

Shavez Ahmad (Chairman)
Aamna Taseer
Kanwar Latafat Ali Khan

Company Secretary

Sajjad Ahmad

Auditors

M/s Grant Thornton Anjum Rehman,
Chartered Accountants

Legal Advisers

M/s. Ibrahim and Ibrahim
Barristers and Corporate Consultants
Lahore

Bankers

Allied Bank Limited
Albaraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silkbank Limited
Soneri Bank Limited
Pair Investment Company Limited
The Bank of Punjab
United Bank 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

**Pace (Pakistan) Limited ("the Company" or "Paco")
Directors' Report (For the Period Ended 31 March 2022)**

General Economic Overview

Pakistan's economy posted GDP growth of 3.9 percent during FY21, which represented a recovery following the COVID-induced contraction a year earlier. The growth was broad-based, with the agriculture, industry and services sectors expanding by 2.8 percent, 3.6 percent, and 4.4 percent respectively. The economic turnaround was enabled by supportive policies of the government and central bank, which mitigated the health and economic fall-out of COVID on the economy.

The agriculture sector recorded growth of 2.8 percent during FY21, compared to 3.3 percent a year earlier. Almost all important crops performed better last year. Specifically, during Rabi FY21, Wheat Production grew by 8.1 percent compared to a year earlier, as subsidies on input and an increase in cultivated area of wheat. Moreover, after accounting for Rabi Season cultivation, the maize crop grew by 7.4 percent over the full year, driven primarily by an improvement in its yield. The latest estimates of crop production during the review period added on to the strong performance of rice and sugarcane during Kharif FY21. However, there was a notable decline in cotton, whose provisional estimates were revised further downward to around 7 million bales — i.e. a 22.8 percent decline in production compared to last year. This represents the lowest level of cotton production since FY85, attributed to a continuing fall in cultivated area and depressed yields due to exceptionally heavy monsoon rains and pest attacks.² Meanwhile, the livestock sector grew by 3.1 percent during FY21, compared to 2.1 percent a year earlier. This could mainly be traced to a recovery in the poultry sub-sector, which had been hit hard by the strict lockdowns from March 2020 onwards during the first wave of COVID, but gradually recovered in FY21 as the government shifted to smart lockdowns.

The industrial sector grew by 3.6 percent during FY21, compared to a decline of 3.8 percent last year. Within industry, Large Scale Manufacturing (LSM) rebounded sharply in the review period, growing by 9.0 percent during Jul-Mar FY21 compared to a contraction of 5.1 percent in the comparable period last year. LSM growth was driven by food, cement, textile and automobile sectors. Within the food group, better harvest of the sugarcane crop led to expansion in sugar output. The construction-allied industries of cement and steel performed well on the back of targeted fiscal and monetary incentives. Vibrancy in automobile sector was due to entry of new players, pent up demand of last year, subsidy on tractors, stability in exchange rate, low interest rates, and improved rural incomes, which contributed to a revival in demand for automobiles and led to output growth in the sector. The textile sector also grew notably during the review period, amid a rebound in the cotton textile segment. By contrast, the electricity and gas sub-sector posted a sharp decline during FY21 compared to last year, mainly on account of a reduced allocation of subsidies to DISCOs. It is worth highlighting that the quantum of electricity generation during Jul-Mar FY21 was, however, higher compared to Jul-Mar FY20.

The positive performance of the commodity-producing sectors provided the impetus for a 4.4 percent growth in the services sector, compared to a 0.6 percent contraction last year. Specifically, there was a notable turnaround in wholesale and retail trade growth due to an increase in overall economic activity and imports, whereas finance and insurance and general government settees also picked up the pace compared to a year earlier. Although, transport,

storage, and communication activities recorded marginally negative growth, the magnitude of contraction was smaller than the one observed in FY20.

Meanwhile, employment within the industrial sectors of Sindh and Punjab continued to recover during Jul-Feb FY21.⁶ The impetus mainly came from industries related to food-processing and cigarette manufacturing, while automobile and cotton textile also contributed positively to employment growth; these developments were broadly in line with the LSM growth observed for these sectors. The February 2021 wave of SBP's Business Confidence Survey also showed an improvement in the current employment index for the industry and service sectors. However, future employment expectations, as

captured by the SBP's Consumer Confidence Survey, deteriorated in the march 2021, survey iteration, due to the beginning of the third COVID wave and subsequent restrictions to subdue it.

Company Performance and Financial Overview

The comparison of the financial results for the period ended 31st March 2022, with previous financial period is as under:

	Period End 31 March 2022	Period End 31 March 2021
	Rupees in '000'	
Sales	755,275	126,310
Cost of Sales	(550,920)	(46,143)
Gross Profit	204,355	80,167
Admin & Selling Expenses	(126,521)	(93,087)
Other Income	192,316	12,150
Exchange (loss) /gain on foreign currency convertible bond	(390,417)	242,970
Finance Cost	(107,165)	(104,850)
Loss from change in FV of investment property	(11,248)	-
Net profit/(loss) before tax	(238,680)	137,350
Net profit/(loss) after tax	(250,775)	135,455
Earnings/(Loss) per share (PKR)	(0.90)	0.49

During period under review, the revenue of the Company amounted to Rs. 755.28 million as compared to Rs. 126.31 million of last period. The significant increase is on account of sale of major properties in Pace Circle and Pace Tower. Accordingly Cost of Sales also increased from Rs. 46.14 million last periods to Rs. 550.92 million in current period. Administrative expenses were Rs 126.52 million against Rs 93.09 million in last period. Other income of the company showed an increasing trend significantly amounting to 192.32 million as compared with Rs. 12.15 million of last period due to gain on settlement of loan was recorded in current period amounting to Rs. 170 million. The company also incurred an exchange loss of Rs. 390.42 million on Foreign Currency Convertible Loan due to depreciation of Pak-Rupee against dollars. Finance costs during the period increases from Rs. 104.85 million to Rs. 107.16 million, due to KIBOR fluctuation and settlement of BOK TFCs.

As a result of aforementioned factors, the loss for the period under consideration amounted to Rs. 250.77 million as compared to last period at Rs. 135.46 million, resulting in Loss Per Share (LPS) of Rs. 0.90 as compared to earnings per share (EPS) of Rs. 0.49 in last period.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the period ended 31 December 2021.

The Path Forward

Through the delivery of key development projects in 2021 - 2022 in form of 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.


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.

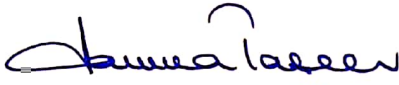
Our unparalleled team has done an extraordinary job in a tough environment and we admire their untiring efforts, dedication and commitment to the Company

For and on behalf of Board of directors

April 26th, 2022



Director

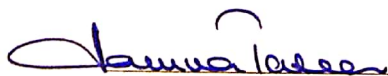


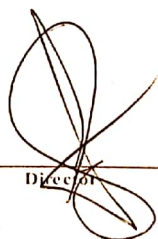
Sumera Iqbal
Chief Executive Officer

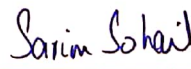
Pace (Pakistan) Limited
Condensed Interim unconsolidated Statement of Financial Position (Un-audited)
As at 31 March 2022

EQUITY AND LIABILITIES	Note	Unaudited	Audited	ASSETS	Note	Unaudited	Audited
		March 31, 2022	June 30, 2021			March 31, 2022	June 30, 2021
				— (Rupees in thousand) —			
<u>Share capital and reserves</u>							
Authorised capital		6,000,000	6,000,000				
Issued, subscribed and paid-up capital	6	2,788,766	2,788,766				
Share premium	7	273,265	273,265				
Accumulated loss		(2,758,844)	(2,508,069)				
		303,187	553,962				
<u>Non-current liabilities</u>							
Long term finances - secured	8	-	-				
Redeemable capital - secured (non-participatory)	9	-	-				
Lease liability		147,007	136,871				
Foreign currency convertible bonds - unsecured	10	-	-				
Deferred liabilities		51,654	44,532				
		198,661	181,403				
<u>Current liabilities</u>							
Contract liability		306,124	346,255				
Current maturity of long term liabilities		4,117,538	3,809,630				
Creditors, accrued and other liabilities	11	1,002,816	730,790				
Accrued finance cost		1,239,359	1,291,112				
		6,665,837	6,177,787				
Contingencies and commitments	12	7,167,685	6,913,152				
		7,167,685	6,913,152				
				<u>Non-current assets</u>			
				Property, plant and equipment			
				Intangible assets			
				Contract asset			
				Investment property			
				Lease receivable			
				Long term investments			
				Long term advances and deposits			
				<u>Current assets</u>			
				Stock-in-trade			
				Trade debts			
				Advances, deposits, prepayments and other receivables			
				Income tax refundable - net			
				Cash and bank balances			
		569,415	570,607			3,121	3,500
		3,121	3,500			400,048	-
		1,456,436	1,467,614			107,852	104,095
		850,321	850,321			13,619	13,619
		3,400,812	3,009,756			2,972,681	2,997,281
		3,400,812	3,009,756			592,299	515,241
		3,400,812	3,009,756			123,916	338,688
		3,400,812	3,009,756			47,364	31,943
		3,400,812	3,009,756			30,613	20,243
		3,400,812	3,009,756			3,766,873	3,903,396
		3,400,812	3,009,756			7,167,685	6,913,152

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director

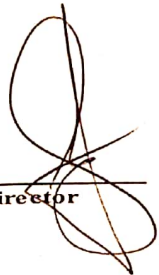

Chief Financial Officer

Pace (Pakistan) Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)
For the nine months ended 31 March 2022

	Note	For the ninth months ended		For the quarter ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	17	755,275	126,310	43,043	32,473
Cost of Revenue	18	(550,920)	(46,143)	(13,347)	(13,635)
Gross Profit		204,355	80,167	29,696	18,838
Administrative and selling expenses		(124,797)	(86,979)	(31,219)	(6,689)
Impairment loss on trade and other receivables		(1,724)	(6,108)	-	-
Other income	19	192,316	12,150	4,282	8,108
Profit / (Loss) from operations		270,150	(770)	2,759	20,257
Finance cost	20	(107,165)	(104,850)	(36,555)	(30,912)
Exchange (loss) / gain on foreign currency convertible bonds		(390,417)	242,970	(36,935)	103,618
Loss from change in fair value of investment property		(11,248)	-	(607)	-
(Loss) / profit before Taxation		(238,680)	137,350	(71,338)	92,963
Taxation	21	(12,095)	(1,895)	(868)	(206)
(Loss) / profit for the period		(250,775)	135,455	(72,206)	92,757
(Loss) / profit per share - basic and diluted		(0.90)	0.49	(0.26)	0.18

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Chief Executive Officer


Director


Chief Financial Officer

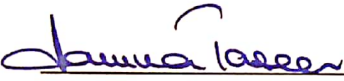
Pace (Pakistan) Limited


Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months ended 31 March 2022

	2022	2021
	--- (Rupees in thousand) ---	
(Loss) / profit for the period	(250,775)	135,455
<u>Other comprehensive income for the period</u>		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement of net defined benefit liability	-	-
Total comprehensive (loss) / income for the period	<u>(250,775)</u>	<u>135,455</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer

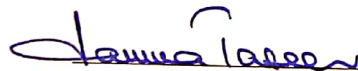

Director

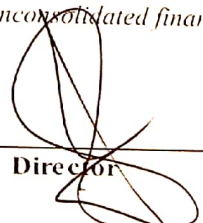

Chief Financial Officer

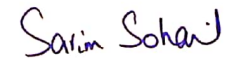
Pace (Pakistan) Limited
 Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)
 For the nine months ended 31 March 2022

	Capital reserve		Revenue reserve	Total
	Issued, subscribed and paid-up capital	Share premium	Accumulated loss	
--- (Rupees in thousand) ---				
As at 01 July 2020 (Audited)	2,788,766	273,265	(2,464,550)	597
<i>Total comprehensive loss for the year ended 30 June 2021</i>				
Profit after taxation	-	-	(46,322)	(46)
Other comprehensive income	-	-	2,803	2
	-	-	(43,519)	(43)
Balance as at 30 June 2021 (Audited)	2,788,766	273,265	(2,508,069)	553
<i>Total comprehensive income for the nine months ended 31 March 2022</i>				
Loss after taxation	-	-	(250,775)	(250)
Other comprehensive income	-	-	-	-
	-	-	(250,775)	(250)
Balance as at 31 March 2022 (Un-Audited)	2,788,766	273,265	(2,758,844)	303

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the nine months ended 31 March 2022

	Note	Nine months ended	
		31 March 2022	31 March 2021
		--- (Rupees in thousand) ---	
<u>Cash flows from operating activities</u>			
Cash generated from operations	22	74,123	15,681
Finance cost paid		-	(78)
Taxes paid		(27,516)	(5,812)
Net cash generated from operating activities		46,607	9,791
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		(27,103)	(3,134)
Sale proceeds from sale of operating fixed assets		9,100	-
Income on bank deposits received		122	54
Net cash used in investing activities		(17,881)	(3,080)
<u>Cash flow from financing activities</u>			
Payments of lease liability		(18,355)	(2,753)
Net cash used in financing activities		(18,356)	(2,753)
Net increase / (decrease) in cash and cash equivalents		10,370	3,958
Cash and cash equivalents - at beginning of the period		20,243	23,125
Cash and cash equivalents - at end of the period		30,613	27,083

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

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 incurred loss before tax of Rs. (238.68) million. Increase in loss is mainly driven by exchange loss of Rs. (390.42) million in 2022 versus Rs. 242.97 million gain in 2021 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. 2,898.96 million (30 June 2021: Rs. 2,274.39 million), and accumulated losses of the Company stand at Rs. 2,758.84 million (30 June 2021: Rs. 2,508.07 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. The construction activity on the project has also been very slow due to unavailability of enough financial resources causing a delay in the completion of Pace Tower, total estimated cost of completion of Pace Tower is Rs. 321.06 million. 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 its 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 settlement of the Company's borrowings during the period, the Company has settled a principal amount of Rs. 99.88 million against property at 13th floor of Pace Tower measuring 8000 square feet and has received a waiver of markup amounting to Rs. 119.66 million from Bank of Khyber.

The Company has saleable inventory in the form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory, management is expected to generate Rs. 3,039 million over the period of three year. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

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 21 February 2022 to the Company wherein they have committed to support the Company to continue as a going concern.

Accordingly, these condensed interim 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.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

3 Basis of preparation and statement of compliance

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 March 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements of the Company for the nine months ended 31 March 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2021. Comparative condensed interim unconsolidated statement of financial position is stated from annual audited financial statements as of 30 June 2021, whereas comparatives for condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and related notes are extracted from condensed interim unconsolidated financial statements of the Company for the nine months ended 31 March 2021.

These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

4 Use of estimates and judgments

In preparing these condensed unconsolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2021.

5 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2021.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

	Un-audited 31 March 2022 --- (Rupees in thousand) ---	Audited 30 June 2021	Un-audited 31 March 2022 --- (Number of Shares) ---	Audited 30 June 2021
6 Share capital and reserves				
6.1 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
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>
6.2 Ordinary shares of the Company held by associated undertakings are as follows:				
			Un-audited 31 March 2022 --- (Number of Shares) ---	Audited 30 June 2021
	Basis of Relationship			
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
			<u>15,104,915</u>	<u>15,104,915</u>
6.3 There has been no movement in ordinary share capital issued, subscribed and paid-up during the period ended 31 December 2021.			Un-audited 31 March 2022 --- (Rupees in thousand) ---	Audited 30 June 2021
7 Share premium				
Share premium reserve			<u>273,265</u>	<u>273,265</u>
This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.				
8 Long term finances - secured	<i>Note</i>		Un-audited 31 March 2022 --- (Rupees in thousand) ---	Audited 30 June 2021
Pak Iran Joint Investment Company	8.1		66,860	66,860
Less: Current maturity presented under current liabilities			(66,860)	(66,860)
			<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

8.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('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 has been determined using effective interest rate of 6% per annum. Movement is as follows:

		Un-audited 31 March 2022	Audited 30 June 2021
	Note	--- (Rupees in thousand) ---	
As at beginning of the year		66,860	66,860
Unwinding of notional interest		-	-
Adjustment on account of default	8.1.2.1	-	-
As at end of the year		<u>66,860</u>	<u>66,860</u>

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 installment was due on 01 January 2020. Company made default in repayment of the installment and no repayment was made till 31 December 2021. 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".

	Un-audited 31 March 2022	Audited 30 June 2021
	--- (Rupees in thousand) ---	
9 Redeemable capital - secured (non-participatory)		
Term finance certificates	835,691	935,571
Less: Current maturity presented under current liabilities	(835,691)	(935,571)

Pace (Pakistan) Limited
Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)
For the nine months ended 31 March 2022

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 'ICI Investment Bank Limited' (now 'ICI 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 last year, 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 TFC's by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 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 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 TFC's are still in the defaulter segment due to non compliance which could result in delisting of TFC's 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.

9.2 Settlement with Bank of Khyber

On 20 December 2019, Bank of Khyber ('Bank') and the Company entered into Debt Asset Swap Agreement for full and final settlement of outstanding amount of TFC's along with their accrued mark-up against 13th floor of Pace Tower measuring 8,000 square feet. In accordance with the terms of the agreement, the Bank purchased the aforementioned floor for Rs. 116.80 million as full and final settlement. Furthermore, the Bank provided financial relief of suspended mark-up along with future mark-up upon completion of certain terms and conditions. However, as at the reporting date, the Company has handed over possession of the underlying floor and accordingly, reported balance of TFC's by excluding principal amount of Rs. 99.8 million along with waived accrued markup of Rs. 119.8 million.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

		Un-audited 31 March 2022	Audited 30 June 2021
10 Foreign currency convertible bonds - unsecured	<i>Note</i>	--- (Rupees in thousand) ---	
Opening balance		2,764,027	2,895,217
Mark-up accrued during the period		21,294	24,822
		<u>2,785,321</u>	<u>2,920,039</u>
Exchange (gain)/ loss for the period	10.2	390,417	(156,012)
		<u>3,175,738</u>	<u>2,764,027</u>
Less: Current portion shown under current liabilities		<u>(3,175,738)</u>	<u>(2,764,027)</u>
		-	-

10.1 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 31 December 2021, 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.

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

		Un-audited 31 March 2022	Audited 30 June 2021
11 Creditors, accrued and other liabilities	<i>Note</i>	--- (Rupees in thousand) ---	
Trade creditors	11.1	442,723	212,706
Provisions and accrued liabilities		289,677	243,249
Payable to statutory bodies		102,004	102,071
Security deposits	11.2	57,977	57,065
Rentals against investment property received in advance		22,791	18,816
Retention money		5,461	5,461
Payable to contractors		2,699	2,699
Others	11.3	79,484	88,723
		<u>1,002,816</u>	<u>730,790</u>

11.1 This includes payables to First Construction Limited (related party being a subsidiary of associate company) amounting to Rs. 0.09 million (30 June 2021: Rs. 0.09 million) under normal course of business and are interest free.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

11.2 These represent security deposits received against rent of shops rented out in the plazas. None of these amounts is utilizable for Company or other purpose. The Company has not kept this amount in a separate bank account. The Company is in process of ensuring compliance with the requirement of section 217 of the Companies Act, 2017.

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

12 Accrued finance cost

--- (Rupees in thousand) ---

Long term finances - secured	9,122	6,172
Redeemable capital - secured (non-participatory)	1,189,637	1,243,588
Lease liability	40,600	41,352
	<u>1,239,359</u>	<u>1,291,112</u>

12 Contingencies and commitments

12.1 Contingencies

12.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (30 June 2021: Rs.21.64 million).

12.1.2 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. 66.60 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 condensed interim financial statements.

12.1.3 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 Honorable 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 condensed interim financial statements.

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

12.2 Commitments

12.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Rs. 26.27 million (30 June 2021: Rs. 26.27 million).

12.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (30 June 2021: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Un-audited 31 March 2022	Audited 30 June 2021
--- (Rupees in thousand) ---			
13 Property, plant and equipment	<i>Note</i>		
Operating fixed assets	13.1	397,146	417,352
Capital work in progress		61,300	34,873
Right-of-use assets	13.2	110,969	118,382
		<u>569,415</u>	<u>570,607</u>
13.1 Operating fixed assets			
Net book value at beginning of the period		417,352	440,226
Additions during the period		676	-
Disposals during the period		(5,582)	-
Depreciation charged during the period		(15,300)	(22,874)
Net book value at end of the period		<u>397,146</u>	<u>417,352</u>
13.2 Right-of-use assets			
Net book value at beginning of the period		118,382	129,298
Additions during the period		-	-
Disposals during the period		-	-
Depreciation charged during the period		(7,413)	(10,916)
		<u>110,969</u>	<u>118,382</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

14 Stock-in-trade		Un-audited	Audited
		31 March 2022	30 June 2021
		--- (Rupees in thousand) ---	
	Land not under development	21,600	21,600
	Land purchased for resale	930,765	930,765
	Work in progress		
	<i>Pace Tower</i>	662,811	725,051
	<i>Pace Circle</i>	813,584	776,187
	Completed units - shops	542,244	542,244
		<u>2,971,004</u>	<u>2,995,847</u>
	Stores inventory	1,677	1,434
		<u>2,972,681</u>	<u>2,997,281</u>

15 Trade debts		Note	Un-audited	Audited
			31 March 2022	30 June 2021
			--- (Rupees in thousand) ---	
	<i>Secured</i>			
	Considered good		551,945	530,062
	<i>Unsecured</i>		336,063	280,888
			<u>888,008</u>	<u>810,950</u>
	Less: Impairment allowance		(295,709)	(295,709)
			<u>592,299</u>	<u>515,241</u>

15.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 19.41 million (30 June 2021: Rs. 19.41 million).

16 Cash and bank balances		Note	Un-audited	Audited
			31 March 2022	30 June 2021
			--- (Rupees in thousand) ---	
	Cash in hand		240	179
	<i>Cash at banks</i>			
	- Current accounts	16.1	30,373	18,484
	- Saving accounts	16.2	-	1,580
			30,373	20,064
			<u>30,613</u>	<u>20,243</u>

16.1 This includes Rs. 17 million (30 June 2021: Rs. 17 million) on which lien is marked against sale of property to

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

		Un-audited 31 March 2022	Un-audited 31 March 2021
17 Revenue	<i>Note</i>	--- (Rupees in thousand) ---	
Development services		122,596	2,342
Sale of plot		460,048	-
Display of advertisements		25,194	22,025
Service charges - <i>net</i>	<i>17.1</i>	121,066	79,037
Revenue from contract with customers		<u>728,904</u>	<u>103,404</u>
Other revenue			
Rental income from lease of investment property		26,371	22,906
Total revenue		<u>755,275</u>	<u>126,310</u>

17.1 Services charges - *net*

The breakup of costs against service income recorded during the year is as follows

		Un-audited 31 March 2022	Un-audited 31 March 2021
	<i>Note</i>	--- (Rupees in thousand) ---	
Service charges- gross		172,135	163,448
Less: Fuel and power		45,335	79,080
Janitorial and security charges		5,734	5,331
		<u>51,069</u>	<u>84,411</u>
		<u>121,066</u>	<u>79,037</u>

18 Cost of revenue

Shops and commercial buildings sold

- *at percentage of completion basis*

- *at completion of project basis*

Stores operating expenses

		Un-audited 31 March 2022	Un-audited 31 March 2021
	<i>Note</i>	--- (Rupees in thousand) ---	
		13,107	3,665
		492,442	-
		<u>45,371</u>	<u>42,478</u>
		<u>550,920</u>	<u>46,143</u>
		<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

19 Other income

This represents gain on settlement of loan, commission income on guarantee, income from parking and storage and mark up on bank accounts.

		Un-audited 31 March 2022	Un-audited 31 March 2021
20 Finance cost	<i>Note</i>	--- (Rupees in thousand) ---	
Interest and mark-up on:			
- Foreign currency convertible bonds - unsecured		21,294	18,190
- Redeemable capital - secured (non-participatory)		65,708	72,846
- Default markup on loan from Pak Iran Joint Investment Company		2,950	3,086
- Notional interest on lease liability		17,076	10,606
		<u>107,028</u>	<u>104,728</u>
Bank charges and processing fee		137	122
		<u>107,165</u>	<u>104,850</u>

		Un-audited 31 March 2022	Un-audited 31 March 2021
21 Taxation	<i>Note</i>	--- (Rupees in thousand) ---	
Income Tax			
- Current Year		<u>12,095</u>	<u>1,895</u>

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2021: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

	Un-audited 31 March 2022 --- (Rupees in thousand) ---	Un-audited 31 December 2020
22 Cash (used in) / generated from operations		
	<i>Note</i>	
(Loss) / profit before tax	(238,680)	137,350
Adjustment for:		
Exchange loss / (gain) on foreign currency convertible bonds	390,417	(242,970)
Provision for gratuity and leave encashment	7,538	7,479
Depreciation on property, plant and equipment	22,713	22,078
Amortisation on intangible assets	378	254
Impairment on trade receivable	1,724	6,108
Changes in fair value of investment property	11,178	-
Rental income	(7,559)	-
Gain on loan settlement	(170,480)	-
Liability written back	(355)	-
Gain on disposal of operating fixed assets	(3,518)	-
Finance costs	107,028	104,850
Mark-up income	(122)	(54)
Gain before working capital changes	120,262	35,095
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ decrease in stock-in-trade	9,844	(25,393)
(Increase)/ decrease in trade debts	(102,602)	(47,546)
(Increase)/ decrease in contract asset	(400,048)	-
(Increase)/ decrease in advances, deposits and other receivables	214,772	(21,694)
Increase/ (decrease) in contract liability	(40,131)	48,360
Increase/ (decrease) in creditors, accrued and other liabilities	272,026	26,859
	(46,139)	(19,414)
	74,123	15,681

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

23 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 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	2022 --- (Rupees in thousand) ---	2021
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	928	
		Shared expenses charged by Company	-	
		Sale of inventory	30,844	
		Advances received	30,335	
		Rental income	1,980	2,
First Capital Investment Company	Common Directorship	Rent income	-	
Evergreen Water Valley (Private) Limited	Common Directorship	Advance paid against purchase of Shadman plot	-	6,
		Advance against construction of Pace Tower	-	8,
		Payment against purchase of plot	50,000	
		Advance for purchase of goods and services	22,867	
Media Times Limited	Common Directorship	Rental income	3,802	
		Advertisement expense	9,000	
		Building rent received	-	11
Rema & Shehribano	Common Directorship	Service charges	155	1,
Co-Natural	Common Directorship	Service charges	1,879	
Post employment benefits plan	Employee fund	Gratuity and leave encashment	7,538	4

Pace (Pakistan) Limited
Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)
For the nine months ended 31 March 2022

24 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:

		31 March 2022 (Un-audited)				
		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						
31 March 2022						
<u>Financial assets not measured at fair value</u>						
	Long term advances and deposits	13,619	-	13,619	-	-
	Trade debts	592,299	-	592,299	-	-
	Advances, deposits, prepayments and other receivables	89,789	-	89,789	-	-
	Cash and bank balances	30,613	-	30,613	-	-
24.2		<u>726,320</u>	<u>-</u>	<u>726,320</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities not measured at fair value</u>						
	Long term finances - secured	-	66,860	66,860	-	-
	Redeemable capital - secured (non-participatory)	-	835,691	835,691	-	-
	Lease liability	-	186,256	186,256	-	-
	Foreign currency convertible bonds - unsecured	-	3,175,738	3,175,738	-	-
	Creditors, accrued and other liabilities	-	878,021	878,021	-	-
	Accrued finance cost	-	1,239,359	1,239,359	-	-
24.2		<u>-</u>	<u>6,381,925</u>	<u>6,381,925</u>	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

24.1 Fair value measurement of financial instruments

		30 June 2021 (Audited)				
		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 2021					
	<u>Financial assets not measured at fair value</u>					
	Long term advances and deposits	13,619	-	13,619	-	-
	Trade debts	515,241	-	515,241	-	-
	Advances, deposits, prepayments and other receivables	70,411	-	70,411	-	-
	Cash and bank balances	20,243	-	20,243	-	-
24.2		619,514	-	619,514	-	-
	<u>Financial liabilities not measured at fair value</u>					
	Long term finances - secured	-	66,860	66,860	-	-
	Redeemable capital - secured (non-participatory)	-	935,571	935,571	-	-
	Lease liability	-	180,043	180,043	-	-
	Foreign currency convertible bonds - unsecured	-	2,764,027	2,764,027	-	-
	Creditors, accrued and other liabilities	-	711,974	711,974	-	-
	Accrued finance cost	-	1,291,112	1,291,112	-	-
24.2		-	5,949,587	5,949,587	-	-

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

Pace (Pakistan) Limited

Notes to the Interim Condensed Unconsolidated Financial Statements (Un-audited)

For the nine months ended 31 March 2022

25 Financial risk management

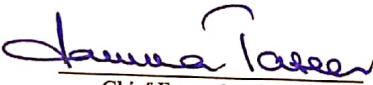
The Company's financial risk management objective and policies are consistent with that of disclosed in the annual audited financial statements of the Company for the year ended 30 June 2021.

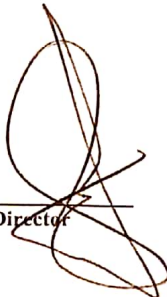
26 Date of authorization for issue

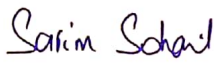
These unconsolidated condensed interim financial statements were authorized for issue on _____ by the Board of Directors of the Company.

27 General

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.


Chief Executive Officer


Director


Chief Financial Officer

PACE (PAKISTAN) LIMITED - GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2022

PACE (PAKISTAN) GROUP
Consolidated Condensed Interim Balance Sheet
As at 31 March 2022

	Unaudited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021		Unaudited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
Note			Note		
EQUITY AND LIABILITIES			ASSETS		
CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital			Property, plant and equipment	11	569,415
600,000,000 (30 June 2021: 600,000,000)			Intangible assets		3,121
ordinary shares of Rs 10 each	6,000,000	6,000,000	Contract asset		400,048
Issued, subscribed and paid up capital			Investment property	12	1,456,436
278,876,604 (30 June 2021: 278,876,604)			Lease Receivable		107,852
ordinary shares of Rs 10 each	2,788,766	2,788,766	Investment in equity-accounted investee	13	960,270
Reserves	287,307	287,307	Long term advances and deposits		15,248
Accumulated loss	(2,504,274)	(2,195,964)			3,512,390
	571,799	880,109			3,164,736
NON-CONTROLLING INTEREST	87,027	87,027			
	658,826	967,136			
NON-CURRENT LIABILITIES			CURRENT ASSETS		
Long term finances - secured	6	-	Stock-in-trade	14	3,305,681
Redeemable capital - secured (non-participatory)	7	-	Trade debts - unsecured		592,299
Liabilities against assets subject to finance lease		136,871	Advances, deposits, prepayments		123,916
Foreign currency convertible bonds - unsecured	8	-	and other receivables		47,417
Deferred liabilities		44,532	Income tax recoverable		30,933
Deferred taxation		36,753	Cash and bank balances		4,099,946
		249,549			7,612,336
		218,156			7,401,204
CURRENT LIABILITIES					
Contract liability	307,124	347,255			
Current portion of long term liabilities	4,117,538	3,809,630			
Creditors, accrued and other liabilities	1,039,940	767,915			
Accrued finance cost	1,239,359	1,291,112			
	6,703,961	6,215,912			
CONTINGENCIES AND COMMITMENTS					
	-	-			
	7,612,336	7,401,204			

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial statements.


Chief Executive

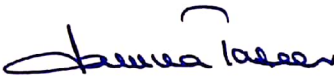

Chief Financial Officer

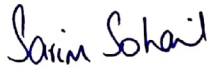

Director

PACE (PAKISTAN) GROUP
Consolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the Quarter Ended 31 March 2022

	For the half year ended		For the quarter ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	(Rupees in thousand)		(Rupees in thousand)	
Sales	755,275	126,310	43,043	32,473
Cost of sales	(550,920)	(46,143)	(13,347)	(13,635)
Gross profit	204,355	80,167	29,696	18,838
Administrative and selling expenses	(126,521)	(93,087)	(31,219)	(6,689)
Other income	192,316	12,150	4,282	8,108
Profit/ (loss) from operations	270,150	(770)	2,759	20,257
Finance costs	(107,165)	(104,850)	(36,555)	(30,912)
Share of loss from associate - net of tax	(43,401)	(32,278)	(12,642)	(15,397)
Exchange (loss) / gain on foreign currency convertible bond	(390,417)	242,970	(36,935)	103,618
Loss from change in fair value of investment property	(11,248)	-	(607)	-
Loss before tax	(282,081)	105,072	(83,980)	77,566
Taxation	(26,230)	2,947	(868)	2,103
Loss for the period	(308,311)	108,019	(84,848)	79,669
Total comprehensive loss for the period	(308,311)	108,019	(84,848)	79,669
Attributable to:				
Equity holders of the parent	(308,311)	108,019	(84,848)	79,669
Non-controlling interest	-	-	-	-
	(308,311)	108,019	(84,848)	79,669
Loss per share attributable to ordinary shareholders				
- basic loss per share	Rupees (1.11)	0.39	(0.31)	0.29

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial statements.


Chief Executive

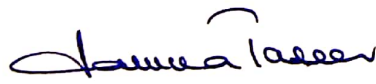

Chief Financial Officer

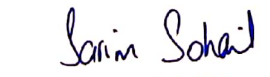

Director

PACE (PAKISTAN) GROUP
Consolidated Statement of Changes in Equity for the Period Ended 31 March 2022

	Attributable to equity holders of the parent					Non-Controlling Interest	Total Equity	
	Share capital	Share premium Reserve	Reserves Reserve for changes in fair value of investments	Share in reserves of associate	Accumulated loss			Total
	(Rupees in thousand)							
Balance as on 30 June 2020 (Audited)	2,788,766	273,265	-	14,042	(2,102,467)	973,606	87,030	1,060,636
Total comprehensive income for the year					(98,406)	(98,406)	-	(98,406)
Profit for the year	-	-	-	-	-	-	-	4,909
Other comprehensive income / (loss) for the year:					4,909	4,909	-	-
Remeasurement of net defined benefit liability - net of tax	-	-	-	-	-	-	-	-
Changes in fair value of available for sale investments - net of tax	-	-	-	-	-	-	-	(93,497)
Share of other comprehensive income / reserves of associate - net of tax	-	-	-	-	(93,497)	(93,497)	-	-
	-	-	-	-	-	-	87,030	967,139
Balance as on 30 June 2021 (Audited)	<u>2,788,766</u>	<u>273,265</u>	<u>-</u>	<u>14,042</u>	<u>(2,195,964)</u>	<u>880,109</u>	<u>87,030</u>	<u>967,139</u>
Total comprehensive income for the period					(308,311)	(308,311)	-	(308,311)
Loss for the period	-	-	-	-	-	-	-	-
Other comprehensive income for the period:					-	-	-	-
Remeasurement of net defined benefit liability - net of tax	-	-	-	-	-	-	-	-
Changes in fair value of available for sale investments - net of tax	-	-	-	-	-	-	-	-
Share of other comprehensive income / reserves of associate - net of tax	-	-	-	-	(308,311)	(308,311)	-	(308,311)
	-	-	-	-	-	-	-	-
Balance as on 31 March 2022 (Un-Audited)	<u>2,788,766</u>	<u>273,265</u>	<u>-</u>	<u>14,042</u>	<u>(2,504,274)</u>	<u>571,798</u>	<u>87,030</u>	<u>658,828</u>

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director

PACE (PAKISTAN) GROUP

Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the Nine Months Ended 31 March 2022

	Note	March 31,	
		2022	2021
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	15	66,107	15,681
Finance costs paid		-	(78)
Taxes paid		(27,516)	(5,812)
Net cash generated from / (used in) operating activities		38,591	9,791
Cash flow from investing activities			
Purchase of property, plant and equipment		(27,103)	(3,134)
Proceeds from sale of property, plant and equipment		9,100	-
Markup received		122	54
Net cash (used in) / generated from investing activities		(17,881)	(3,080)
Net cash used in financing activities		(10,340)	(2,753)
Net increase / (decrease) in cash and cash equivalents		10,370	3,958
Cash and cash equivalents at the beginning of the period		20,263	23,148
Cash and cash equivalents at the end of the period		30,633	27,106

The annexed notes from 1 to 20 form an integral part of this consolidated condensed interim financial statements.

Chief Executive

Sarim Sohail

Chief Financial Officer

[Signature]

Director

PACE (PAKISTAN) GROUP

Notes Forming Part of the Consolidated condensed interim financial statement for the Quarter Ended 31 March 2022

1 Legal status and activities

1.1 Constitution and ownership

The consolidated condensed interim consolidated condensed interim financial statement of Pace (Pakistan) Group comprise of the consolidated condensed interim financial statement of:

Pace (Pakistan) Limited

Pace (Pakistan) Limited (the "Holding Company") is a public limited Company incorporated in Pakistan and listed on Pakistan stock exchange. The object of the Company is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies 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.

Pace Gujrat (Private) Limited

Pace Gujrat (Private) Limited (a subsidiary) was incorporated on July 8, 2005 as a private limited Company under Companies Ordinance, 1984. The object 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. It is a wholly owned Company of Pace (Pakistan) Limited.

Pace Woodlands (Private) Limited

Pace Woodlands (Private) Limited (a subsidiary) was incorporated on July 27, 2004 as a private limited Company under Companies Ordinance, 1984. The object 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.

Pace Supermall (Private) Limited

Pace Supermall (Private) Limited (a subsidiary) was incorporated on March 27, 2003 as a private limited Company under Companies Ordinance 1984. The object 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.

1.2 Activities of the Group

The object of the Group is to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies and to carry out commercial, industrial and other related activities in and out of Pakistan.

2 Statement of Compliance

These consolidated condensed interim consolidated condensed interim financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan

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

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. Going concern assumption

As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 2,552.49 million and the reserves of the Company have been significantly depleted. 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. The construction activity on the project has also been very slow due to unavailability of enough financial resources causing a delay in the completion of Pace Tower, total estimated cost of completion of Pace Tower is Rs. 360.50 million. These conditions indicated 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 its 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 settlement of the Company's borrowings during the period, the Company has settled a principal amount of Rs. 99.88 million against property at 13th floor of Pace Tower measuring 8000 square feet and has received a waiver of markup amounting to Rs. 119.66 million from Bank of Khyber.

Construction of Pace Tower was delayed due to lockdown imposed during the strain of COVID-19, however the management is confident that it will complete Pace Tower Project by the end of 2022 and is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. Management is also taking necessary steps for the completion and sale of Pace Circle.

Company has saleable inventory in the form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory, management is expected to generate Rs. 3,039 million over the period of three year. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Accordingly, these consolidated condensed interim financial statement 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.

4 Significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are same as presented in latest annual audit. These policies have been consistently applied to all the years presented, unless otherwise stated.

5 Estimates

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the key sources of estimation uncertainty were the same as those that applied to consolidated condensed interim financial statement for the period ended 30 June 2021.

		Un-Audited March 31, 2022	Audited June 30, 2021
		(Rupees in thousand)	
	Note		
6 Long term finances - secured			
Pak Iran Loan	6.1	<u>66,860</u>	66,860
		66,860	66,860
Less: Current portion shown under current liabilities		<u>(66,860)</u>	(66,860)
		-	-

6.1 Pak Iran Joint Investment Company

On 28 December 2016, Pak Iran Joint Investment Company ('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.

6.1.1 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 has been determined using effective interest rate of 6% per annum. Movement is as follows:

Un-Audited	Audited
March	June
31, 2022	30, 2021
--- (Rupees in thousand) ---	

As at beginning	66,860	66,860
Add: Amortized during the period	-	-
Adjustment on account of default		
As at end	<u><u>66,860</u></u>	<u><u>66,860</u></u>

6.1.2 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.

6.1.3 Default

The moratorium period as per the rescheduling agreement ended on 31 December 2019 and the first quarterly installment was due on 01 January 2020. Company made a default in repayment of the installment and no repayment was made till 31 December 2021. 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".

7 Redeemable capital - secured (non-participatory)

Term finance certificates		835,691	935,571
Less: Current portion shown under current liabilities	8.1	<u>(835,691)</u>	<u>(935,571)</u>
		<u>-</u>	<u>-</u>

7.1 Terms of repayment

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 September 27, 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 August 15, 2010. The TFC's carry a mark-up of 6 months KIBOR plus 2% (June 2018: 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 consolidated condensed interim financial statement". The Group is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During the year, 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 Parent Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 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 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.

7.2 Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Holding 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.

7.3 Settlement with Bank of Khyber

On 20 December 2019, Bank of Khyber ('Bank') and the Company entered into Debt Asset Swap Agreement for full and final settlement of outstanding amount of TFCs along with their accrued mark-up against 13th floor of Pace Tower measuring 8,000 square feet. In accordance with the terms of the agreement, the Bank purchased the aforementioned floor for Rs. 116.80 million as full and final settlement. Furthermore, the Bank provided financial relief of suspended mark-up along with future mark-up upon completion of certain terms and conditions. However, as at the reporting date, the Company has handed over possession of the underlying floor and accordingly, reported balance of TFCs by excluding principal amount of Rs. 99.8 million along with waived accrued markup of Rs. 119.8 million.

	Note	Un-Audited March 31, 2022	Audited June 30, 2021
8 Foreign currency convertible bonds - unsecured			
			(Rupees in thousand)
Opening balance		2,764,027	2,895,217
Markup accrued during the year		14,061	24,822
		2,778,088	2,920,039
Exchange loss for the year		353,482	(156,012)
		3,131,570	2,764,027
Less: Current portion shown under current liabilities	8.1	(3,131,570)	(2,764,027)
		-	-

8.1 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 31 December 2021, 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.

9 Contingencies and commitments

9.1 Contingencies

9.1.1 Claims against the Company not acknowledged as debts amounting to Rs 21.644 million (30 June 2021: Rs 21.644 million).

9.1.2 On 10 October 2017, Pace (Pakistan) Limited ('the Company') filed a petition against Damas (the tenant at the MM 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. 66.60 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 consolidated condensed interim financial statement.

9.1.3 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 99.888 million along with insurance premium payable amounting to Rs 88.859 million from First Capital Group shall be settled vide sale of 4.7 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 57.962 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 March 7, 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 188.747 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs 57.962 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 consolidated condensed interim financial statement.

10.2 Commitments

10.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited, amounts to Rs. 26.27 million (30 June 2021: Rs. 26.27 million)

10.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Rs. 900 million (30 June 2021: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Un-Audited March 31, 2022 (Rupees in thousand)	Audited June 30, 2021
11	Property, plant and equipment		
Operating fixed assets	11.1	397,146	417,352
Capital work-in-progress		61,300	34,874
Assets subject to finance lease		110,969	118,382
		<u>569,415</u>	<u>570,608</u>
11.1	Operating fixed assets		
Book value at beginning of the period / year		417,352	440,226
Add:			
- Additions during the period / year		676	-
		-	-
		<u>418,028</u>	<u>440,226</u>
Less:			
- Disposals during the period / year - at book value		(5,582)	-
- Depreciation charged during the period / year		(15,300)	(22,874)
		<u>(20,882)</u>	<u>(22,874)</u>
Book value at end of the period / year		<u>397,146</u>	<u>417,352</u>
12	Investment property		
Opening value		1,467,614	1,745,251
- Settlement against loan		-	-
- Disposal of investment property		-	(283,550)
Closing value before revaluation as at June 30		<u>1,467,614</u>	<u>1,461,701</u>
Fair value gain recognised in profit and loss account		(11,178)	5,913
Fair value as at December 31		<u>1,456,436</u>	<u>1,467,614</u>
13	Long term investments		
Associate - unquoted			
Pace Barka Properties Limited	13.1	960,270	1,003,671
75,875,000 (30 June 2021: 75,875,000) fully paid ordinary shares of Rs 10 each Equity held 24.9% (30 June 2021: 24.9%)			
		<u>960,270</u>	<u>1,003,671</u>

	Un-Audited March 31, 2022	Audited June 30, 2021
	(Rupees in thousand)	
13.1 Associate - unquoted		
Cost	758,651	758,651
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognised directly in profit and loss account	245,020	303,730
	<u>1,003,671</u>	<u>1,062,381</u>
Share of (Loss) / profit for the year		
- before taxation	(43,401)	(63,964)
- provision for taxation	-	3,148
	<u>(43,401)</u>	<u>(60,816)</u>
Share of other comprehensive loss	-	2,106
Balance as on September 30	<u>960,270</u>	<u>1,003,671</u>

	Un-Audited March 31, 2022	Audited June 30, 2021
	(Rupees in thousand)	
14 Stock-in-trade		
Work in process - Pace Towers	662,811	725,051
Shops and houses	1,473,009	1,473,008
Pace Barka Properties Limited - Pace Circle	813,584	776,187
Pace Super Mall (Private) Limited	354,600	354,600
	<u>3,304,004</u>	<u>3,328,846</u>
Stores inventory	1,677	1,434
	<u>3,305,681</u>	<u>3,330,280</u>

	Un-Audited	
	March 31, 2022	March 31, 2021
Note		

	Un-Audited March 31, 2022	Audited March 31, 2021
15 Cash generated from operations		
(Loss) / profit before tax	(282,081)	105,072
Adjustment for:		
Exchange loss on foreign currency convertible bonds	390,417	(242,970)
Provision for gratuity and leave encashment	7,538	7,479
Depreciation on:		
- owned assets	15,300	22,078
- right of use assets	7,413	-
- Amortisation on intangible assets	378	254
- Gain on loan settlement	(170,480)	-
- Impairment loss trade debts	1,724	6,108
- Rental income	(7,559)	-
- Gain on disposal of operating fixed assets	(3,518)	-
- Share of loss from associate	43,401	32,278
- Changes in fair value of investment property	11,178	-
- Liability written back	(355)	-
- Markup income	(122)	(54)
- Finance costs	107,165	104,850
Loss before working capital changes	<u>120,399</u>	<u>35,095</u>
Effect on cash flow due to working capital changes:		
Increase in stock-in-trade	(17,756)	(25,393)
Increase in trade debts	(145,419)	(52,478)
Increase in contract asset	(400,049)	-
Decrease / (increase) in advances, deposits and other receivables	229,483	(21,694)
Increase in contract liability	1,321	48,360
Increase in creditors, accrued and other liabilities	278,128	31,791
	<u>(54,292)</u>	<u>(19,414)</u>
	<u>66,107</u>	<u>15,681</u>

	Accounting year end	Percentage of holding	Country of Incorporation
Half year ended 31 December 2021			
Pace Woodlands (Private) Limited	31-Mar-22	52%	Pakistan
Pace Gujrat (Private) Limited	31-Mar-22	100%	Pakistan
Pace Supermall (Private) Limited	31-Mar-22	57%	Pakistan
Year ended 30 June 2021			
Pace Woodlands (Private) Limited	30-Jun-21	52%	Pakistan
Pace Gujrat (Private) Limited	30-Jun-21	100%	Pakistan
Pace Supermall (Private) Limited	30-Jun-21	57%	Pakistan

17 Financial risk management

17.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board has provided 'Risk Management Policy' covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

17.2 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Management monitors the forecasts of the Group's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans. During the year the Company remained under severe liquidity pressure as mentioned in note 3.

18 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. 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:

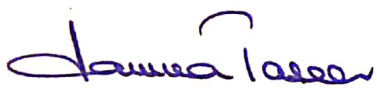
Name of Company	Relationship	Nature of Transactions	2022 --- (Rupees in thousand) ---	2021 ---
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	928	619
		Shared expenses charged by Company	-	269
		Sale of inventory	30,844	
		Advance received	30,335	
		Rental income	1,980	2,338
First Capital Investment Company	Common Directorship	Rent income	-	336
Evergreen Water Valley (Private) Limited	Common Directorship	Advance paid against purchase of shadman plot	-	6,063
		Advance against construction of Pace Tower	-	8,223
		Payment against purchase of plot	50,000	-
		Advance for purchase of goods and services	22,867	-
Media Times Limited	Common Directorship	Rental income	7,559	-
		Advertisement expense	9,000	79
Rema & Sheerbano	Common Directorship	Service charges	155	1,351
Co-Natural	Common Directorship	Service charges	1,879	293
Post employment benefits plan	Employee fund	Gratuity and leave encashment	5,033	4,985

19 Date of authorisation

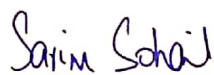
These consolidated condensed interim financial statement were authorised for issue on _____, 2022 by the board of directors of the Holding Company.

20 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.



Chief Executive



Chief Financial Officer



Director