

Annual Report (Year Ended September 2023)

Non-Professionalized ("the Company" or "Pace")

General Supervisory Overview

General Economic Overview Since the start of a worldwide recession in response to the full COVID-19 wave, Pakistan has been struggling with limited economic activities, inflationary pressure, and a general economic downturn. The government has implemented various measures to support the economy, including a general moratorium on foreign debt payments, a 10% increase in the minimum wage, and a 10% increase in the minimum pension. The government has also implemented a 10% increase in the minimum wage and a 10% increase in the minimum pension. The government has also implemented a 10% increase in the minimum wage and a 10% increase in the minimum pension.

PACE (PAKISTAN) LIMITED

FINANCIAL STATEMENTS

(UNCONSOLIDATED)

**FOR THE PERIOD ENDED
30 SEPTEMBER 2023**

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
Sheikh Aftab Ahmad	Independent
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)

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

Directors' Report (Year Ended September -2023)

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

General Economic Overview

General Economic Overview Since imposing a widespread lockdown in response to the first COVID-19 wave, Pakistan has been effectively using localized lockdowns to curb the infection spread, allowing economic activity to largely continue. Expansion of the national cash transfer program, a mass vaccination campaign, accommodative macroeconomic policies, and supportive measures for the financial sector, all helped mitigate the adverse effects of the pandemic. As a result, growth of real GDP at constant factor 2015-16 prices rebounded to 5.6 percent in FY21, after contracting by 1.0 percent in FY20. Nevertheless, long-standing structural weaknesses of the economy and low productivity growth pose risks to a sustained recovery. Strong aggregate demand pressures, in part due to previously accommodative fiscal and monetary policies, paired with the continued less conducive external environment for exports have contributed to a record-high trade deficit, weighing on the Rupee and the country's limited external buffers. During July-December 2021 (H1 FY22), indicators have mostly signaled positive economic momentum. With continued improvement in community mobility and still robust official remittance inflows, private consumption is estimated to have strengthened. Similarly, investment is also expected to have increased with strong growth of machinery imports and government development expenditure. Government consumption also grew strongly with vaccine procurement. On the production side, agricultural output, mainly rice and sugarcane increased, reflecting better weather conditions. Similarly, large-scale manufacturing growth rose to 7.5 percent y-o-y in H1 FY22, higher than the 1.5 percent for H1 FY21. In contrast, business and consumer confidence have fallen since June 2021, partly due to concerns about higher inflation and interest rates. Headline inflation rose to an average of 9.8 percent y-o-y in H1 FY22 from 8.6 percent in H1 FY21, driven by surging global commodity prices and a weaker exchange rate. Similarly, core inflation has been increasing since September 2021. Accordingly, the State Bank of Pakistan has been unwinding its expansionary monetary stance since September 2021, raising the policy rate by a cumulative 275 basis points (bps) and banks' cash reserve requirement by 100 bps. The current account deficit (CAD) in H1 FY22 widened to US\$9.0 billion, from a surplus of US\$1.2 billion in H1 FY21, as imports values surged by 54.4 percent, doubling the 27.3 percent growth in exports values. Double-digit growth in remittances in H1 FY22 helped to finance the record-high trade deficit. The financial account recorded net inflows of US\$10.1 billion, supported by the new IMF SDR allocation, short-term Government deposits from Saudi Arabia, and a Eurobond issuance in July 2021. In January-February, the Government obtained US\$2.1 billion from International Sukuks and the IMF Extended Fund Facility (EFF). Despite these inflows, foreign exchange reserves had fallen to US\$13.5 billion by March 25, 2022, equivalent to 2.0 months of imports of goods and services. Meanwhile, the Rupee depreciated by 14.3 percent against the U.S. dollar from July 2021 to end-March 2022. Despite the high tax revenue growth with the surge in imports, the fiscal deficit widened by 20.6 percent in H1 FY22 due to higher spending on vaccine procurement, settlement of power sector arrears, and development projects. Public debt, including guaranteed debt, reached 70.7 percent of GDP at end-December 2021, compared to 72.0 percent at end-December 2020. To complement the tighter monetary policy, the Government approved a Supplementary Finance Bill in January 2022, withdrew tax exemptions, and cut back on federal development spending, while protecting social sector spending. With the economic recovery and improved labor market conditions, poverty measured at the lower middle-income class poverty line of \$3.20 PPP 2011 per day is estimated to have declined from 37.0 percent in FY20 to 34.0 percent in FY21. Rising food and energy inflation is expected to diminish the real purchasing power of households, disproportionately affecting poor and vulnerable households that spend a larger share of their budget on these items. In response, the Government introduced a targeted food subsidy

program (Ehsaas Rishan Riyat) in February 2022. On the back of high base effect, recent macroeconomic adjustment measures and stronger inflation, real GDP growth is expected to slow to 4.3 percent in FY22 and to 4.0 percent in FY23. However thereafter, economic growth is projected to recover to 4.2 percent in FY24, supported by the implementation of structural reforms to support macroeconomic stability and dissipating global inflationary pressures. Inflation is estimated to rise to 10.7 percent in FY22 but moderate over the forecast horizon. Largely reflecting the imports surge in H1 FY22, the CAD is expected to widen to 4.4 percent of GDP in FY22. Macroeconomic adjustment measures and the weaker currency are expected to tame imports mostly in FY23. The CAD is expected to narrow to 3.0 percent of GDP in FY24, as reforms to reduce import tariffs and the anti-export bias of trade policy gain traction. The fiscal deficit (including grants) is projected to widen slightly to 6.2 percent of GDP in FY22, and gradually narrow over the medium term as revenue mobilization measures, particularly GST harmonization and personal income tax reform, take hold. Public debt as a share of GDP is projected to stay high, but to gradually decline over the medium term. The outlook is predicated on the IMF-EFF program remaining on-track. Macroeconomic risks are strongly tilted to the downside. They include faster-than-expected tightening of global financing conditions, further increases in world energy prices, and the possible risk of a return of stringent COVID-19 related mobility restrictions. Domestically, political tensions and policy slippages can also lead to protracted macroeconomic imbalances.

Company Performance and Financial Overview

The comparison of the financial results for the year ended 30th September 2023, with previous financial year is as under:

	Year End 2023	Year End 2022
	Rupees in '000'	
Sales	60,594	61,174
Cost of Sales	(12,589)	(17,389)
Gross Profit	48,005	43,785
Admin & Selling Expenses	(38,231)	(38,213)
Other Income	5,034	2,712
Exchange Gain/(loss) on foreign currency convertible bond	(35,276)	(348,086)
Finance Cost	(36,054)	(40,576)
Other Operating expenses	-	-
Gain from change in FV of investment property	5,433	23,122
Net profit/(loss) before tax	(61,954)	(409,499)
Net profit/(loss) after tax	(62,806)	(410,263)
Earnings/(Loss) per share (PKR)	(0.23)	(0.35)

During period under review, the revenue of the Company amounted to Rs. 61,174 million as compared to Rs. 61,549 million of last corresponding period. Cost of Sales amounted to Rs. 17,389 million against Rs. 15,204 of last corresponding period. Administrative expenses were Rs. 38,213 million against Rs. 45,492 million. Other income of the company was Rs. 2,712 million. The company also incurred an exchange loss of Rs. 348,086 million on Foreign Currency Convertible Loan due to depreciation of Pak-Rupee against dollars. Finance costs during the period amounted to Rs. 40,576 million. As a result of aforementioned factors, the loss for the period under consideration amounted to Rs. 410,263 million as compared to last corresponding period at Rs. 97,745 million, resulting in Loss Per Share (LPS) of

Rs. 1.47 as compared to LPS of Rs. 0.35 in last year.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the year ended 30 September 2023.

The Path Forward

Through the delivery of key development projects in 2022 - 2023 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.

The Board of Directors has approved renewal of additional investments in the form of equity to Pace Barka Properties Limited, upto the extent of Rs. 1,750 Million (rupees one thousand seven hundred fifty million only), which was initially approved last year. The Board has also approved to communicate annual audited financial statements and related information through QR code and weblink. Further, the Board has also authorized CEO of the Company to disinvest total investments, at appropriate time on such terms and conditions to be presented and approved by the Board of Directors.

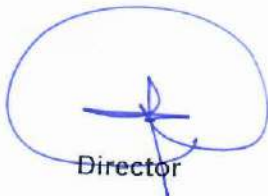
While we will continue to focus on improving our capital structure over the coming years, we will also look to make diligent and sound investment decisions when compelling opportunities arise.

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

27 October 2023



Director



Chief Executive Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Financial Position

As at 30th September 2023

		Unaudited September 30, 2023	Audited June 30, 2023
	Note	--- (Rupees in thousand) ---	
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
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		(4,849,387)	(4,786,581)
		(1,740,319)	(1,677,513)
<u>Non-current liabilities</u>			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	149,581	149,662
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	49,840	49,157
		199,421	198,819
<u>Current liabilities</u>			
Contract liability	13	251,848	247,894
Current maturity of long term liabilities	14	5,967,943	5,933,174
Creditors, accrued and other liabilities	15	804,041	820,987
Accrued finance cost	16	1,363,012	1,348,745
		8,386,844	8,350,800
<u>Contingencies and commitments</u>			
	17	6,845,946	6,872,106

ASSETS

Non-current assets

Property, plant and equipment	18	534,408	540,192
Intangible assets	19	2,368	2,493
Investment property	20	1,893,261	1,898,694
Lease Receivable	21	110,202	109,040
Contract Asset		356,817	356,817
Long term investments	22	850,321	850,321
Long term advances and deposits	23	13,619	13,619
Deferred taxation		-	-
		3,760,995	3,771,176


Current assets

Stock-in-trade	24	2,441,462	2,441,656
Trade debts	25	446,719	518,936
Advances, deposits, prepayments and other receivables	26	136,241	85,709
Lease Receivable	21	6,019	5,702
Income tax refundable - net	27	33,709	29,291
Cash and bank balances	28	20,800	19,636
		3,084,950	3,100,930

		Unaudited September 30, 2023	Audited June 30, 2023
	Note	--- (Rupees in thousand) ---	
ASSETS			
<u>Non-current assets</u>			
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Intangible assets	19	2,368	2,493
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Long term advances and deposits	23	13,619	13,619
Deferred taxation		-	-
		3,760,995	3,771,176
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The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

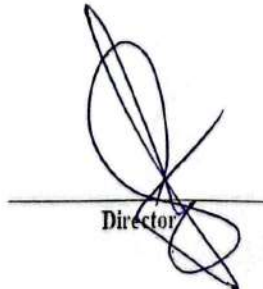
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended 30 September 2023

	Note	July to September	
		2023	2022
		--- (Rupees in thousand) ---	
Revenue	29	60,594	61,174
Cost of Revenue	30	(12,589)	(17,389)
Gross Profit		48,005	43,785
Administrative and selling expenses	31	(38,231)	(38,213)
Other income	32	5,034	2,712
Profit/ (Loss) from operations		14,809	8,284
Finance cost	33	(36,276)	(40,576)
Exchange (loss)/ gain on foreign currency convertible bonds	11.2	(35,054)	(348,086)
Loss from change in fair value of investment property		(5,433)	(29,122)
Loss before Taxation		(61,954)	(409,499)
Taxation	34	(852)	(765)
Loss after Taxation		(62,806)	(410,263)
Loss per share - basic and diluted	35	(0.23)	(0.35)

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

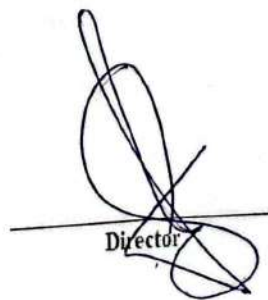
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the quarter ended 30 September 2023

	July to September	
	2023	2022
	--- (Rupees in thousand) ---	
Loss for the year	(62,806)	(410,263)
<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	-	-
Revaluation Surplus on transfer	-	-
Total comprehensive loss for the year	<u>(62,806)</u>	<u>(410,263)</u>

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

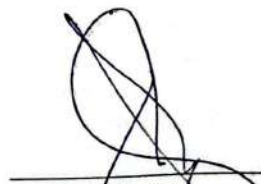
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

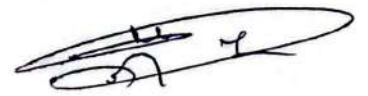
For the quarter ended 30 September 2023

		<u>July to September</u>	
		<u>2023</u>	<u>2022</u>
	<i>Note</i>	<i>--- (Rupees in thousand) ---</i>	
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	36	13,034	8,413
Taxes paid		(5,269)	(3,013)
Net cash generated/ (used in) from operating activities		<u>7,765</u>	<u>5,400</u>
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		-	-
Income on bank deposits received	32	<u>61</u>	<u>40</u>
Net cash used in from investing activities		<u>61</u>	<u>40</u>
<u>Cash flow from financing activities</u>			
Payments of lease liability		<u>(6,661)</u>	<u>(6,687)</u>
Net cash used in financing activities		<u>(6,661)</u>	<u>(6,687)</u>
Net increase/ (decrease) in cash and cash equivalents		<u>1,164</u>	<u>(1,246)</u>
Cash and cash equivalents - at beginning of the period		<u>19,636</u>	<u>22,433</u>
Cash and cash equivalents - at end of the quarter	37	<u>20,800</u>	<u>21,187</u>

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

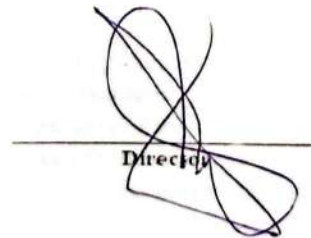
Condensed Interim Unconsolidated Statement of Changes In Equity

For the quarter ended 30 September 2023

	Capital reserve		Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus		Accumulated loss
--- (Rupees in thousand) ---					
Balance as at 30 June 2022	2,788,766	273,265	47,037	(3,121,517)	(12,449)
<i>Total comprehensive loss for the year ended 30 June 2022</i>					
Loss after taxation	-	-	-	(1,671,334)	(1,671,334)
Other comprehensive income	-	-	-	6,270	6,270
	-	-	-	(1,665,064)	(1,665,064)
Balance as at 30 June 2023 (Audited)	2,788,766	273,265	47,037	(4,786,581)	(1,677,513)
<i>Total comprehensive loss for the year ended 30 June 2023</i>					
Loss after taxation	-	-	-	(62,806)	(62,806)
Other comprehensive income	-	-	-	-	-
	-	-	-	(62,806)	(62,806)
Balance as at 30 September 2023 (Unaudited)	2,788,766	273,265	47,037	(4,849,387)	(1,740,319)

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

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. -61.95 million (September 30, 2022: Rs. -96.52 million). Increase/ Decrease in loss is mainly driven by exchange loss of Rs. -035.05 million in 2023 versus loss of Rs. 348.086 million in 2022 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. 5,301.89 million (June 30, 2023: Rs. 3,514.749 million), and accumulated losses of the Company stand at Rs. 4,849.39 million (June 30, 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. The construction activity on the project has also been 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. 272 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:

Construction of Pace Tower has also been started and management is confident that it will complete Pace Tower Project by the end of 2024 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 sale of its inventory in Pace Circle.

Further, company is about to start sale of its 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 Islamabad plots, the palm and various shops in pace shopping malls. The management is expected to generate Rs. 3,322/- million 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.

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 Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

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:

<u>Subsidiaries</u>	Country of incorporation	Shareholding
Pace Gujrat (Private) Limited	Pakistan	100%
Pace Super Mall (Private) Limited	Pakistan	56.79%
Pace Woodland (Private) Limited	Pakistan	52%

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 etc.

<u>Associate</u>	Country of incorporation	Shareholding
Pace Barka Properties Limited	Pakistan	24.86%

The principal activity of the Company is to acquire, construct, 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 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 1 - Non-current Liabilities with Covenants	January 1, 2024

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

IFRS 16 - Lease Liability in a Sale and Leaseback

January 1, 2024

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) January 1, 2024

IAS 7 and IFRS 7 - Supplier Finance Arrangements January 1, 2024

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.

4.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective Date (Annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

5 Use of estimates and judgments

The preparation of condensed interim 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.

6 Significant accounting policies

The significant accounting policies adopted in the preparation of these 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.

Un-Audited 30 September 2023 --- (Rupees in thousand) ---	Audited 30 June 2023	Un-Audited 30 September 2023 --- (Number of Shares) ---	Audited 30 June 2023
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7 Share capital and reserves

7.1 Authorised capital

Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
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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

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>
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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023 --- (Rupees in thousand) ---	Audited 30 June 2023
7.3 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.		
	2023	2023
	--- (Rupees in thousand) ---	
8 Long term finances - secured		
Pak Iran Joint Investment Company	66,860	66,860
Less: Current maturity presented under current liabilities	<u>(66,860)</u>	<u>(66,860)</u>
Non Current portion	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023 --- (Rupees in thousand) ---	Audited 30 June 2023
9 Redeemable capital - secured (non-participatory)		
Term finance certificates	805,118	815,691
Settlement during the year	-	(10,573)
	<u>805,118</u>	<u>805,118</u>
Less: Current maturity presented under current liabilities	<u>(805,118)</u>	<u>(805,118)</u>
Non Current portion	<u>-</u>	<u>-</u>
10 Lease liability		
Present value of lease payments	178,455	178,822
Less: Current portion shown under current liabilities	<u>(28,874)</u>	<u>(29,160)</u>
	<u>149,581</u>	<u>149,662</u>
11 Foreign currency convertible bonds - unsecured		
Opening balance	5,032,036	3,610,587
Mark-up accrued during the year	-	-
	<u>5,032,036</u>	<u>3,610,587</u>
Exchange loss/ (gain) for the year	<u>35,054</u>	<u>1,421,449</u>
	<u>5,067,090</u>	<u>5,032,036</u>
Less: Current portion shown under current liabilities	<u>(5,067,090)</u>	<u>(5,032,036)</u>
Non Current portion	<u>-</u>	<u>-</u>
12 Deferred liabilities		
Staff gratuity	48,872	48,043
Leave encashment	968	1,114
	<u>49,840</u>	<u>49,157</u>
13 Contract liability		
This principally represents advances received from various parties against sale of apartments and houses in Pace Tower project, Lahore and its breakup is as follows:		
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	<u>167,922</u>	<u>163,968</u>
	<u>251,848</u>	<u>247,894</u>
14 Current maturity of long term liabilities		
Long term finances - secured	66,860	66,860
Redeemable capital - secured (non-participatory)	805,118	805,118

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

Lease liability

Foreign currency convertible bonds - unsecured

	28,874	29,160
	<u>5,067,090</u>	<u>5,032,036</u>
	<u>5,967,943</u>	<u>5,933,174</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Unaudited September 30, 2023	Audited June 30, 2023
	--- (Rupees in thousand) ---	
15 Creditors, accrued and other liabilities		
Trade creditors	125,165	101,272
Provisions and accrued liabilities	328,157	328,630
Payable to statutory bodies	101,693	101,693
Security deposits	58,042	59,560
Rentals against investment property received in advance	10,545	44,208
Retention money	5,461	5,461
Payable to contractors	2,699	2,699
Others	172,279	177,464
	<u>804,041</u>	<u>820,987</u>
16 Accrued finance cost		
Long term finances - secured	35,797	35,557
Redeemable capital - secured (non-participatory)	1,327,215	1,313,188
Lease liability	-	-
	<u>1,363,012</u>	<u>1,348,745</u>
17 Contingencies and commitments		
17.1 Contingencies		
17.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (30 June 2022: Rs.21.64 million).		
17.1.2 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 financial statements.		
17.1.3 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 financial statements.		

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

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. Rs. 26.27 million (30 June 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 Rs. 900 million (30 June 2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Unaudited September 30, 2023	Audited June 30, 2023
	<i>Note</i>	--- (Rupees in thousand) ---	
18 Property, plant and equipment			
Operating fixed assets	18.1	376,351	380,939
Capital work in progress		58,847	58,847
Right-of-use assets	18.2	99,210	100,406
		<u>534,408</u>	<u>540,192</u>

Pace (Pakistan) Limited
Notes to the Condensed Interim Unconsolidated Financial Statements
For the quarter ended 30 September 2023

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											
Period ended 30 September 2023											
Opening net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(1,485)	-	(255)	(1,902)	(46)	(49)	(13)	(839)	(4,588)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	117,282	-	9,943	74,174	1,807	1,915	138	15,939	376,351
Gross carrying value basis											
Period ended 30 September 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(104,666)	-	(68,376)	(110,476)	(10,244)	(9,762)	(10,142)	(51,793)	(365,458)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	117,282	-	9,944	74,174	1,807	1,915	138	15,939	376,351
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 Barak 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.

*** Building on leasehold land represents 8,227 square feet (2021: 8,227 square feet) relating to 2nd and 3rd floors of Fortress Project, Lahore the right of which had been acquired for 33 years in 2011 from Fortress Stadium management, Lahore Cantt. During the current year the said property was transferred to investment property because it was no longer used by the Company and it was decided that the building would be leased to the third party. Immediately before the transfer, the building was re-measured at the fair value and a revaluation surplus of Rs. 47.037 million was recognized in OCI. The valuation techniques and significant input used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at reporting date.

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023	Audited 30 June 2023
	--- (Rupees in thousand) ---	
18.2 Right-of-use assets		
Land		
<i>Cost</i>		
Balance as at 01 July	119,496	119,496
Additions / (deletions) during the year	-	-
Balance as at 30 September	<u>119,496</u>	<u>119,496</u>
<i>Accumulated depreciation</i>		
Balance as at 01 July	(19,091)	(14,320)
Depreciation charge during the year	(1,195)	(4,770)
Balance as at 30 September	<u>(20,286)</u>	<u>(19,091)</u>
Closing net book value	<u>99,210</u>	<u>100,405</u>
Rate of depreciation	<u>4%</u>	<u>4%</u>
Electrical equipment		
<i>Cost</i>		
Balance as at 01 July	15,339	15,339
Additions / (deletions) during the year	-	-
Balance as at 30 September	<u>15,339</u>	<u>15,339</u>
<i>Accumulated depreciation</i>		
Balance as at 01 July	(15,339)	(12,017)
Depreciation charge during the year	-	(3,322)
Balance as at 30 September	<u>(15,339)</u>	<u>(15,339)</u>
Closing net book value	<u>0</u>	<u>0</u>
Rate of depreciation	<u>#####</u>	<u>33%</u>
19 Intangible assets		
Optical fiber	2,138	2,257
Computer software	230	236
	<u>2,368</u>	<u>2,493</u>
19.1 Optical fiber - Royalty		
Cost	9,508	9,508
<i>Accumulated amortisation</i>		
As at 01 July	(7,251)	(6,775)
Amortisation for the year	(119)	(476)
Balance as at 30 September	<u>(7,370)</u>	<u>(7,251)</u>
Book value as at 30 June	<u>2,138</u>	<u>2,257</u>
Rate of amortisation	<u>5%</u>	<u>5%</u>
19.2 Computer software		
Cost	2,878	2,878
<i>Accumulated amortisation</i>		

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

As at 01 July	(2,642)	(2,616)
Amortisation for the year	(7)	(26)
Balance as at 30 September	(2,649)	(2,642)
Book value as at 30 September	230	236
Rate of amortisation	#####	10%

Cost		Fair value	
Un-Audited 30 September 2023	Audited 30 June 2023	Un-Audited 30 September 2023	Audited 30 June 2023
--- (Rupees in thousand) ---			

20 Investment property

Balance as at 01 July	964,825	883,931	1,898,694	1,803,239
Initial Recognition of ROU	-	-	-	-
Fair value gain/ (loss) on recognition of ROU	-	-	-	-
Transfer from Inventory at cost	-	-	-	-
Transfer from PPE at cost	-	-	-	-
		80,894		80,894
Adjusted balance as at 01 July	964,825	964,825	1,898,694	1,884,133
Fair value gain/ (loss) recorded in statement of profit or loss	-	-	(5,433)	14,562
Disposal during the year	-	-	-	-
As at 30 September	964,825	964,825	1,893,261	1,898,694

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

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-- Contractual undiscounted cash flows

Lease payments receivable	Rupees
1 - 3 years	17,107,200
4 - 6 years	22,968,000
7 - 9 years	28,710,000
10 - 12 years	35,887,500
13 - 15 years	44,859,375
More than 15 years	342,185,669
	491,717,744

	Unaudited September 30, 2023	Audited June 30, 2023
	--- (Rupees in thousand) ---	
<i>Note</i>		
21.3 Reconciliation		
Total lease receivable	491,718	492,985
Less: Unearned finance income	(375,496)	(378,243)
Net investment in lease	116,222	114,742
Less: Current portion of lease receivable	(6,019)	(5,702)
Non Current portion of lease receivable	110,202	109,040

22 Long term investments

Equity instruments of:

- subsidiaries - unquoted	22.1	91,670	91,670
- associated undertakings - unquoted	22.2	758,651	758,651
		850,321	850,321

22.1 Subsidiaries - unquoted

Pace Woodlands (Private) Limited

3,000 (2023: 3,000) fully paid ordinary shares of Rs.10 each

30 30

Equity held 52% (2023: 52%)

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%)

Pace Gujrat (Private) Limited

2,450 (2023: 2,450) fully paid ordinary shares of Rs.10 each

25 25

Equity held 100% (2023: 100%)

91,670 91,670

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

22.2 Associate Undertakings- unquoted

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%)

758,651	758,651
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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

23 Long term advances and deposits

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

24 Stock-in-trade

	Note	Unaudited September 30, 2023 --- (Rupees in thousand) ---	Audited June 30, 2023
Land not under development	24.1	21,600	21,600
Land purchased for resale	24.2	930,765	930,765
Work in progress			
- Pace Tower	24.3	650,158	650,158
- Pace Circle	24.4	670,650	670,650
Completed units - shops		<u>164,630</u>	<u>168,091</u>
		<u>2,437,803</u>	<u>2,441,264</u>
Stores inventory		<u>3,659</u>	<u>392</u>
		<u>2,441,462</u>	<u>2,441,656</u>

24.1 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.

24.2 This represents plot purchased for resale purposes amounting to Rs. 900 million (June 30, 2023: Rs. 900 million).

24.3 Included in work in progress are borrowing costs of Rs. 101 million (June 30, 2023: Rs. 101 million).

24.4 Pace Circle is a project carried by Pace Barka (Private) Limited (an associated company). The project is under construction as at year end and the Company has realized the cumulative payments made till the year end as its inventory while remaining amount is shown in commitments note.

25 Trade debts

Secured

Considered good	25.1	625,824	635,083
Unsecured		<u>360,116</u>	<u>423,074</u>
		<u>985,940</u>	<u>1,058,157</u>
Less: Impairment allowance		<u>(539,221)</u>	<u>(539,221)</u>
		<u>446,719</u>	<u>518,936</u>

25.1 This includes the following amounts due from related parties:

Remy Apparel (Formerly Rema and Shehrbano)	4,738	4,738
First Capital Investment Limited & First Capital Mutual Fund	4,580	4,580
First Capital Equities Limited	118,441	118,441
First Capital Securities Corporation Limited	6,681	6,681
Connatural Cosmetics	<u>1,450</u>	<u>1,450</u>
	<u>135,890</u>	<u>135,890</u>

26 Advances, deposits, prepayments and other receivables

Advances - considered good:

- to employees	26.1	18,486	11,750
- to suppliers		<u>60,682</u>	<u>29,087</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

Security deposits		785	785
Others - considered good	26.3	56,288	44,087
	26.2	<u>136,241</u>	<u>85,709</u>

- 26.1** Advances to employees include advances against salary and gratuity, repayable within one year and at the time of final settlement, respectively. This includes Rs. 4.34 million (June 30, 2023: Rs. 4.34 million) advance given to executive employee of the Company.
- 26.2** The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 16.91 million (June 30, 2023: Rs. 16.91 million)
- 26.3** This includes rent receivable from a related party 'Media Times Pvt. Limited' amounting to Rs. 10.61 million (June 30, 2023: Rs. 10.84 million). The amount also includes impairment allowance of Nil (June 30, 2023: Nil) recognised in the current year.

	Unaudited September 30, 2023	Audited June 30, 2023
Note	--- (Rupees in thousand) ---	
27 Income tax refundable - net		
Income tax refundable	27.1	34,561
Provision for taxation - current		(852)
		<u>33,709</u>
		<u>32,314</u>
		<u>(3,023)</u>
		<u>29,291</u>

- 27.1** 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.

28 Cash and bank balances

Cash in hand		17	16
Cash at banks			
- Current accounts	28.1	19,296	18,784
- Saving accounts	28.2	1,487	836
		20,783	19,620
		<u>20,800</u>	<u>19,636</u>

- 28.1** This includes Rs. 17 million (June 30, 2023: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.
- 28.2** This carries profit at the rates ranging from 12.25% to 13.5% (June 30, 2023: 5.5% to 12.25%) per annum.

	Un-Audited	
	30 September 2023	30 September 2022
Note	--- (Rupees in thousand) ---	
29 Revenue		
Sale of Pace Tower units	-	-
Sale of Completed Units - Others	-	-
Sale of Land	-	-
Display of advertisements	1,334	17,278
Service charges - net	29.1	40,726
Revenue from contract with customers	<u>42,061</u>	<u>42,931</u>
Other revenue		

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

Rental income from lease of investment property

18,534

18,244

Total revenue

60,594

61,174

29.1 Services charges - net

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

	2023	2022
	--- (Rupees in thousand) ---	
Insurance	-	659
Fuel and power	161	34,873
Janitorial and security charges	60	845
	221	36,377

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

		Un-Audited	
		30 September 2023	30 September 2022
		--- (Rupees in thousand) ---	
30	Cost of revenue		
	Shops and commercial buildings sold		
	- at percentage of completion basis	-	-
	- at completion of project basis	-	-
	Stores operating expenses	12,589	17,389
		<u>12,589</u>	<u>17,389</u>
30.1	Stores operating expenses		
	Salaries, wages and benefits	8,509	7,306
	Rent, rates and taxes	72	1,825
	Depreciation on owned assets	2,753	2,695
	Depreciation on right-of-use assets	1,195	2,473
	Repairs and maintenance	60	2,492
	Others	-	598
		<u>12,589</u>	<u>17,389</u>
31	Administrative and selling expenses		
	Salaries, wages and benefits	12,827	13,908
	Travelling and conveyance	651	276
	Rent, rates and taxes	338	-
	Printing and stationery	65	45
	Repairs and maintenance	2,406	9,259
	Motor vehicles running	1,512	56
	Communications	80	85
	Advertising and sales promotion	-	1,500
	Depreciation on owned assets	1,835	2,035
	Amortisation on intangible assets	126	126
	Legal and professional	3,036	350
	Commission	-	1,581
	Office expenses	15,355	8,779
	Other expenses	0	213
		<u>38,231</u>	<u>38,213</u>
32	Other income		
	<u>Income from financial assets</u>		
	Mark-up on bank accounts	61	40
	Commission on guarantee	309	309
	Finance Income from Lease Receivable	2,747	2,612
	<u>Others</u>		
	Income from parking and storage	-	60

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

		Un-Audited	
		30 September	30 September
		2023	2022
		--- (Rupees in thousand) ---	
Others	Note	1,918	-
		<u>5,034</u>	<u>3,021</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited		Liability
	30 September 2023	30 September 2022	
	--- (Rupees in thousand) ---		Lease lia
33 Finance cost			
Interest and mark-up on:			
- Long term finances - secured	4,277	-	
- Foreign currency convertible bonds - unsecured	-	8,910	
- Redeemable capital - secured (non-participatory)	25,634	25,380	
- Notional interest on lease liability	6,316	6,237	
	<u>36,227</u>	<u>40,527</u>	
Bank charges and processing fee	49	49	
	<u>36,276</u>	<u>40,576</u>	
34 Taxation			
Income Tax			
- Current Year	852	765	
	<u>852</u>	<u>765</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 (30 September 2021: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

35 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 September 2022 (30 September 2021: Nil).

	Un-Audited	
	30 September 2023	30 September 2022
	--- (Rupees in thousand) ---	
Loss for the year	<u>(62,806)</u>	<u>(97,745)</u>
Weighted average number of ordinary shares outstanding during the year	<u>278,877</u>	<u>278,877</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Note	July to September	
		2023	2022
--- (Rupees in thousand) ---			
36 Cash generated/ (used in) from operations			
Loss before tax		(61,954)	(409,499)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	11.2	35,054	348,086
Provision for gratuity and leave encashment	12.1 & 12.2	683	1,832
Depreciation on owned assets	18.3	4,588	4,730
Depreciation on right-of-use assets	18.3	1,195	2,473
Amortisation on intangible assets	19	126	126
Changes in fair value of investment property	20	5,433	29,122
Rental income		-	-
Finance costs	33	36,227	40,527
Mark-up income	32	(61)	(40)
Other non cash items	32	(4,665)	-
(Loss) / Gain before working capital changes		16,627	17,357
<i>Effect on cash flow due to working capital changes:</i>			
(Increase)/ Decrease in stock-in-trade		194	(8,539)
(Increase)/ Decrease in trade debts		59,737	(20,324)
(Increase)/ Decrease in advances, deposits and other receivables		(50,532)	162
Increase/ (Decrease) in contract liability		3,954	9,865
Increase/ (Decrease) in creditors, accrued and other liabilities		(16,946)	9,893
		(3,593)	(8,943)
		13,034	8,413
		Unaudited	Audited
		September 30,	June 30,
		2023	2023
		--- (Rupees in thousand) ---	
37 Cash and cash equivalents			
Cash and bank balances	28	20,800	19,636

Pace (Pakistan) Limited
Notes to the Condensed Interim Unconsolidated Financial Statements
For the quarter ended 30 September 2023

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

	30 September 2023 (Un-audited)							
	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	802,985	178,821	5,032,036	1,348,745
Cash flows								
Long term loan paid during the year	-	-	-	-	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(6,661)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	-	(6,661)	-	-
Non-cash changes								
Exchange (gain)/ loss Recognized during the year	-	-	-	-	-	-	35,054	-
Waiver of interest	-	-	-	-	-	-	-	-
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	-	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	6,316	-	14,267
Total non-cash changes	-	-	-	-	-	6,316	35,054	14,267
Balance as at 30 September 2023	2,788,766	273,265	47,037	66,860	802,985	178,475	5,067,090	1,363,012

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	30 June 2023 (Audited)							
	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
<i>Cash flows</i>								
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)	-	-
<i>Non-cash changes</i>								
Exchange (gain)/ loss Recognized during the year	-	-	-	-	-	-	1,421,449	-
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

Pace (Pakistan) Limited
Notes to the Condensed Interim Unconsolidated Financial Statements
For the quarter ended 30 September 2023

39 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. 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	Un-Audited	Un-Audited
			30 September 2023	30 September 2022
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	Associated Company (equity held 24.86%)	Guarantee commission income	309	309
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of goods and services	8,539	1,456
Media Times Limited	Common Directorship	Rental income	1,267	2,490
		Advertisement expense on behalf of Pace	1,500	-

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

40 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.

40.1 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:

		Un-Audited 30 September 2023	Audited 30 June 2023
	Note	--- (Rupees in thousand) ---	
Long term advances and deposits		13,619	13,619
Trade debts	25	446,719	518,936
Advances, deposits, prepayments and other receivables	26	75,559	56,622
Bank balance	28	20,783	19,620
Lease Receivable	21	116,222	114,742
Contract asset		356,817	356,817
		<u>1,029,719</u>	<u>1,080,355</u>

40.2 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.

40.3 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

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

and control market risk exposures within acceptable parameters, while optimizing the return.

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

40.4 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:

	Un-Audited 30 September 2023	Audited 30 June 2023
	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	<u>17,527</u>	<u>17,527</u>

The exchange rate applicable at the reporting date is 289.10 (June 30, 2023: 287.10)

40.5 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:

	Note	Un-Audited 30-Sep-23		Audited 20-Jun-23	
		Financial asset	Financial liability	Financial asset	Financial liability
		--- (Rupees in thousand) ---			
Non-derivative financial - instruments					
Fixed rate instruments					
Long term finances - secured	8	-	66,860	-	66,860
Foreign currency convertible bonds	11	-	5,067,090	-	5,032,036
Lease liability	10	-	178,455	-	178,822
Cash at bank	28	1,487	-	836	-
Variable rate instruments					
Redeemable capital - secured	9	-	805,118	-	805,118
		<u>1,487</u>	<u>6,117,524</u>	<u>836</u>	<u>6,082,836</u>

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.

40.6 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).

40.7 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.

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023	Audited 30 June 2022
	--- (Rupees in thousand) ---	
Total liabilities	8,586,265	8,549,619
Less: cash and cash equivalents	(20,800)	(19,636)
Net debt	8,565,465	8,529,983
Total equity	(1,740,319)	(1,677,513)
Net debt to equity ratio	(4.92)	(5.08)


41 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 27-10-2023 by the Board of Directors of the Company.

42 Corresponding figures

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


Chief Executive Officer


Director


Chief Financial Officer

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PACE (PAKISTAN) LIMITED

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FINANCIAL STATEMENTS

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Annual Report 2023

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Annual Report 2023

Directors' Report (Year Ended September -2023)

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

General Economic Overview

General Economic Overview Since imposing a widespread lockdown in response to the first COVID-19 wave, Pakistan has been effectively using localized lockdowns to curb the infection spread, allowing economic activity to largely continue. Expansion of the national cash transfer program, a mass vaccination campaign, accommodative macroeconomic policies, and supportive measures for the financial sector, all helped mitigate the adverse effects of the pandemic. As a result, growth of real GDP at constant factor 2015-16 prices rebounded to 5.6 percent in FY21, after contracting by 1.0 percent in FY20. Nevertheless, long-standing structural weaknesses of the economy and low productivity growth pose risks to a sustained recovery. Strong aggregate demand pressures, in part due to previously accommodative fiscal and monetary policies, paired with the continued less conducive external environment for exports have contributed to a record-high trade deficit, weighing on the Rupee and the country's limited external buffers. During July-December 2021 (H1 FY22), indicators have mostly signaled positive economic momentum. With continued improvement in community mobility and still robust official remittance inflows, private consumption is estimated to have strengthened. Similarly, investment is also expected to have increased with strong growth of machinery imports and government development expenditure. Government consumption also grew strongly with vaccine procurement. On the production side, agricultural output, mainly rice and sugarcane increased, reflecting better weather conditions. Similarly, large-scale manufacturing growth rose to 7.5 percent y-o-y in H1 FY22, higher than the 1.5 percent for H1 FY21. In contrast, business and consumer confidence have fallen since June 2021, partly due to concerns about higher inflation and interest rates. Headline inflation rose to an average of 9.8 percent y-o-y in H1 FY22 from 8.6 percent in H1 FY21, driven by surging global commodity prices and a weaker exchange rate. Similarly, core inflation has been increasing since September 2021. Accordingly, the State Bank of Pakistan has been unwinding its expansionary monetary stance since September 2021, raising the policy rate by a cumulative 275 basis points (bps) and banks' cash reserve requirement by 100 bps. The current account deficit (CAD) in H1 FY22 widened to US\$9.0 billion, from a surplus of US\$1.2 billion in H1 FY21, as imports values surged by 54.4 percent, doubling the 27.3 percent growth in exports values. Double-digit growth in remittances in H1 FY22 helped to finance the record-high trade deficit. The financial account recorded net inflows of US\$10.1 billion, supported by the new IMF SDR allocation, short-term Government deposits from Saudi Arabia, and a Eurobond issuance in July 2021. In January-February, the Government obtained US\$2.1 billion from International Sukuks and the IMF Extended Fund Facility (EFF). Despite these inflows, foreign exchange reserves had fallen to US\$13.5 billion by March 25, 2022, equivalent to 2.0 months of imports of goods and services. Meanwhile, the Rupee depreciated by 14.3 percent against the U.S. dollar from July 2021 to end-March 2022. Despite the high tax revenue growth with the surge in imports, the fiscal deficit widened by 20.6 percent in H1 FY22 due to higher spending on vaccine procurement, settlement of power sector arrears, and development projects. Public debt, including guaranteed debt, reached 70.7 percent of GDP at end-December 2021, compared to 72.0 percent at end-December 2020. To complement the tighter monetary policy, the Government approved a Supplementary Finance Bill in January 2022, withdrew tax exemptions, and cut back on federal development spending, while protecting social sector spending. With the economic recovery and improved labor market conditions, poverty measured at the lower middle-income class poverty line of \$3.20 PPP 2011 per day is estimated to have declined from 37.0 percent in FY20 to 34.0 percent in FY21. Rising food and energy inflation is expected to diminish the real purchasing power of households, disproportionately affecting poor and vulnerable households that spend a larger share of their budget on these items. In response, the Government introduced a targeted food subsidy

program (Ehsaas Rishan Riyat) in February 2022. On the back of high base effect, recent macroeconomic adjustment measures and stronger inflation, real GDP growth is expected to slow to 4.3 percent in FY22 and to 4.0 percent in FY23. However thereafter, economic growth is projected to recover to 4.2 percent in FY24, supported by the implementation of structural reforms to support macroeconomic stability and dissipating global inflationary pressures. Inflation is estimated to rise to 10.7 percent in FY22 but moderate over the forecast horizon. Largely reflecting the imports surge in H1 FY22, the CAD is expected to widen to 4.4 percent of GDP in FY22. Macroeconomic adjustment measures and the weaker currency are expected to tame imports mostly in FY23. The CAD is expected to narrow to 3.0 percent of GDP in FY24, as reforms to reduce import tariffs and the anti-export bias of trade policy gain traction. The fiscal deficit (including grants) is projected to widen slightly to 6.2 percent of GDP in FY22, and gradually narrow over the medium term as revenue mobilization measures, particularly GST harmonization and personal income tax reform, take hold. Public debt as a share of GDP is projected to stay high, but to gradually decline over the medium term. The outlook is predicated on the IMF-EFF program remaining on-track. Macroeconomic risks are strongly tilted to the downside. They include faster-than-expected tightening of global financing conditions, further increases in world energy prices, and the possible risk of a return of stringent COVID-19 related mobility restrictions. Domestically, political tensions and policy slippages can also lead to protracted macroeconomic imbalances.

Company Performance and Financial Overview

The comparison of the financial results for the year ended 30th September 2023, with previous financial year is as under:

	Year End 2023	Year End 2022
	Rupees in '000'	
Sales	60,594	61,174
Cost of Sales	(12,589)	(17,389)
Gross Profit	48,005	43,785
Admin & Selling Expenses	(38,231)	(38,213)
Other Income	5,034	2,712
Exchange Gain/(loss) on foreign currency convertible bond	(35,276)	(348,086)
Finance Cost	(36,054)	(40,576)
Share of profit/ (loss) from associate - net of tax	(8,295)	(5,085)
Other Operating expenses		
Gain from change in FV of investment property	5,433	29,122
Net profit/(loss) before tax	(70,250)	(414,584)
Net profit/(loss) after tax	(71,101)	(415,349)
Earnings/(Loss) per share (PKR)	(0.25)	(0.35)

During period under review, the revenue of the Company amounted to Rs. 61.174 million as compared to Rs. 61.549 million of last corresponding period. Cost of Sales amounted to Rs. 17.389 million against Rs. 15.204 of last corresponding period. Administrative expenses were Rs. 38.213 million against Rs. 45.492 million. Other income of the company was Rs. 2.712 million. The company also incurred an exchange loss of Rs. 348.086 million on Foreign Currency Convertible Loan due to depreciation of Pak-Rupee against dollars. Finance costs during the period amounted to Rs. 40.576 million. As a result of aforementioned factors, the loss for the period

under consideration amounted to Rs. 410.263 million as compared to last corresponding period at Rs. 97.745 million, resulting in Loss Per Share (LPS) of Rs.1.47 as compared to LPS of Rs. 0.35 in last year.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the year ended 30 September 2023.

The Path Forward

Through the delivery of key development projects in 2022 - 2023 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.

The Board of Directors has approved renewal of additional investments in the form of equity to Pace Barka Properties Limited, upto the extent of Rs. 1,750 Million (rupees one thousand seven hundred fifty million only), which was initially approved last year. The Board has also approved to communicate annual audited financial statements and related information through QR code and weblink. Further, the Board has also authorized CEO of the Company to disinvest total investments, at appropriate time on such terms and conditions to be presented and approved by the Board of Directors.

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

27 October 2023



Director



Chief Executive Officer

Pace (Pakistan) Limited

Condensed Interim Consolidated Statement of Financial Position

As at 30th September 2023

	Note	Unaudited September 30, 2023 --- (Rupees in thousand) ---	Audited June 30, 2023
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
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	287,307	287,307
Revaluation Surplus		47,037	47,037
Accumulated loss		(4,458,451)	(4,387,350)
		(1,335,341)	(1,264,240)
Non-controlling interests		87,030	87,030
		(1,248,311)	(1,177,210)
<u>Non-current liabilities</u>			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability	10	149,581	149,662
Foreign currency convertible bonds - unsecured	11	-	-
Deferred liabilities	12	49,840	49,157
Deferred Taxation		62,904	62,904
		262,325	261,723
<u>Current liabilities</u>			
Contract liability	13	274,448	248,894
Current maturity of long term liabilities	14	5,967,943	5,933,174
Creditors - accrued and other liabilities	15	825,982	864,529
Accrued finance cost	16	1,363,012	1,348,745
		8,431,385	8,395,342
<u>Contingencies and commitments</u>			
	17	7,445,399	7,479,855

ASSETS

Non-current assets

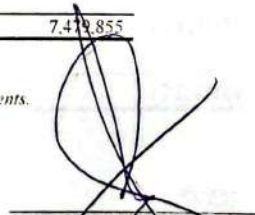
Note	Unaudited September 30, 2023 --- (Rupees in thousand) ---	Audited June 30, 2023	
Property, plant and equipment	18	534,408	540,192
Intangible assets	19	2,368	2,493
Investment property	20	1,893,261	1,898,694
Lease Receivable	21	110,202	109,040
Contract Asset		356,817	356,817
Investment in associate	22	1,115,073	1,123,368
Long term advances and deposits	23	15,248	15,248
		4,027,376	4,045,852

Current assets

Note	Unaudited September 30, 2023 --- (Rupees in thousand) ---	Audited June 30, 2023	
Stock-in-trade	24	2,774,462	2,774,656
Trade debts	25	446,719	518,936
Advances, deposits, prepayments and other receivables	26	136,241	85,709
Lease Receivable	21	6,019	5,702
Income tax refundable - net	27	33,762	29,344
Cash and bank balances	28	20,820	19,656
		3,418,023	3,434,003

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

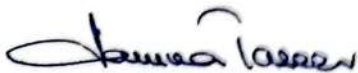
Face (Pakistan) Limited

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended 30 September 2023

	Note	July to September	
		2023	2022
		--- (Rupees in thousand) ---	
Revenue	29	60,594	61,174
Cost of Revenue	30	(12,589)	(17,389)
Gross Profit		48,005	43,785
Administrative and selling expenses	31	(38,231)	(38,213)
Other income	32	5,034	2,712
Profit/ (Loss) from operations		14,809	8,284
Finance cost	33	(36,276)	(40,576)
Share of profit/ (loss) from associate - net of tax		(8,295)	(5,085)
Exchange (loss)/ gain on foreign currency convertible bonds	11.2	(35,054)	(348,086)
Loss from change in fair value of investment property		(5,433)	(29,122)
Loss before Taxation		(70,250)	(414,584)
Taxation	34	(852)	(765)
Loss after Taxation		(71,101)	(415,349)
Attributable to:			
Owners of the Parent Company		(71,101)	(415,349)
Non-controlling interests		-	-
		(71,101)	(415,349)
Loss per share - basic and diluted	35	(0.25)	(0.35)

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.



Pace (Pakistan) Limited

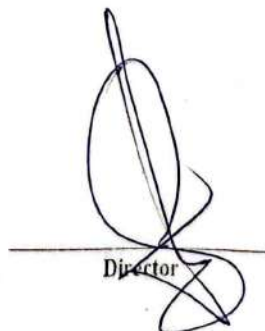
Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the quarter ended 30 September 2023

	July to September	
	2023	2022
	--- (Rupees in thousand) ---	
Loss for the year	(71,101)	(415,349)
<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	-	-
Revaluation Surplus on transfer	-	-
Total comprehensive loss for the year	(71,101)	(415,349)
Attributable to:		
Owners of the Parent Company	(71,101)	(415,349)
Non-controlling interests	-	-
	(71,101)	(415,349)

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited


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

For the quarter ended 30 September 2023

		<u>July to September</u>	
		<u>2023</u>	<u>2022</u>
		<u>--- (Rupees in thousand) ---</u>	
	<i>Note</i>		
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	36	13,035	8,413
Taxes paid		(5,269)	(3,013)
Net cash generated/ (used in) from operating activities		7,766	5,400
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		-	-
Income on bank deposits received	32	61	40
Net cash used in from investing activities		61	40
<u>Cash flow from financing activities</u>			
Payments of lease liability		(6,661)	(6,687)
Net cash used in financing activities		(6,661)	(6,687)
Net increase/ (decrease) in cash and cash equivalents		1,165	(1,246)
Cash and cash equivalents - at beginning of the period		19,656	22,433
Cash and cash equivalents - at end of the quarter	37	20,820	21,187

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.


Chief Executive Officer

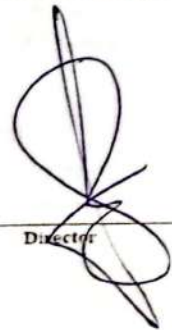

Director


Chief Financial Officer

Pace (Pakistan) Limited
 Consolidated Statement of Changes In Equity
 For the quarter ended 30 September 2023

	Capital reserve			Revenue reserve		Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total Equity
	Issued, subscribed and paid-up capital	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
<i>Total comprehensive loss for the year ended 30 June 2023</i>								
Profit (Loss) after taxation	-	-	-	-	(1,732,321)	(1,732,321)	-	(1,732,321)
Other comprehensive income	-	-	-	-	6,270	6,270	-	6,270
	-	-	-	-	(1,726,052)	(1,726,051)	-	(1,726,051)
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,387,350)	(1,264,239)	87,030	(1,177,210)
<i>Total comprehensive loss for the period ended 30 September 2023</i>								
Profit (Loss) after taxation	-	-	-	-	(71,101)	(71,101)	-	(71,101)
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	(71,101)	(71,101)	-	(71,101)
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,458,451)	(1,335,340)	87,030	(1,248,311)


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

1 The Group and its operations

2023
2022
(Direct holding percentage)

The Group comprises of :

Parent Company

Pace (Pakistan) Limited 1.1

Subsidiary Companies

Pace Gujrat (Private) Limited	100%	100%
Pace SuperMall (Private) Limited	56.79%	56.79%
Pace Woodland (Private) Limited	52%	52%
Associate Company	24.86%	24.86%

1.1 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-1, 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 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.

1.3 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 buildings, super markets, utility stores, plazas, shopping arcades etc.

2 Going Concern Assumption

The Company has incurred loss before tax of Rs. -70.25 million (September 30, 2022: Rs. -96.52 million). Increase/ Decrease in loss is mainly driven by exchange loss of Rs. -035.05 million in 2023 versus loss of Rs. 348.086 million in 2022 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. 5,013.36 million (June 30, 2023: Rs. 3,514.749 million), and accumulated losses of the Company stand at Rs. 4,458.45 million (June 30, 2023: Rs. 4,786.58 million).

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

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 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. 272 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:

Construction of Pace Tower has also been started and management is confident that it will complete Pace Tower Project by the end of 2024 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 sale of its inventory in Pace Circle.

Further, company is about to start sale of its 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 Islamabad plots, the palm and various shops in pace shopping malls. The management is expected to generate Rs. 3,322/- million 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.

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 Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

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 September 2023.

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 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 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 1 - Non-current Liabilities with Covenants	January 1, 2024
IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) January 1, 2024

IAS 7 and IFRS 7 - Supplier Finance Arrangements January 1, 2024

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.

4.2 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective Date (Annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 1, 2023

5 Use of estimates and judgments

The preparation of condensed interim 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.

6 Significant accounting policies

The significant accounting policies adopted in the preparation of these 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.

Un-Audited 30 September 2023 --- (Rupees in thousand) ---	Audited 30 June 2023	Un-Audited 30 September 2023 --- (Number of Shares) ---	Audited 30 June 2023
--	----------------------------	--	----------------------------

7 Share capital and reserves

7.1 Authorised capital

Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
--------------------------------	------------------	------------------	--------------------	--------------------

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

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>
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Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

Un-Audited Audited
30 September 30 June
2023 2023
--- (Rupees in thousand) ---

7.3 Share premium

Share premium reserve	273,265	273,265
Share in reserves of associate	14,042	14,042
Share premium reserve	<u>287,307</u>	<u>287,307</u>

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

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

8 Long term finances - secured

Pak Iran Joint Investment Company	66,860	66,860
Less: Current maturity presented under current liabilities	<u>(66,860)</u>	<u>(66,860)</u>
Non Current portion	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September	Audited 30 June
	2023	2023
	--- (Rupees in thousand) ---	
9 Redeemable capital - secured (non-participatory)		
Term finance certificates	805,118	815,691
Settlement during the year	-	(10,573)
	<u>805,118</u>	<u>805,118</u>
Less: Current maturity presented under current liabilities	<u>(805,118)</u>	<u>(805,118)</u>
Non Current portion	<u>-</u>	<u>-</u>
10 Lease liability		
Present value of lease payments	178,455	178,822
Less: Current portion shown under current liabilities	<u>(28,874)</u>	<u>(29,160)</u>
	<u>149,581</u>	<u>149,662</u>
11 Foreign currency convertible bonds - unsecured		
Opening balance	5,032,036	3,610,587
Mark-up accrued during the year	-	-
	<u>5,032,036</u>	<u>3,610,587</u>
Exchange loss/ (gain) for the year	<u>35,054</u>	<u>1,421,449</u>
	<u>5,067,090</u>	<u>5,032,036</u>
Less: Current portion shown under current liabilities	<u>(5,067,090)</u>	<u>(5,032,036)</u>
Non Current portion	<u>-</u>	<u>-</u>
12 Deferred liabilities		
Staff gratuity	48,872	48,043
Leave encashment	968	1,114
	<u>49,840</u>	<u>49,157</u>
13 Contract liability		
This principally represents advances received from various parties against sale of apartments and houses in Pace Tower project, Lahore and its breakup is as follows:		
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	190,522	164,968
	<u>274,448</u>	<u>248,894</u>
14 Current maturity of long term liabilities		
Long term finances - secured	66,860	66,860
Redeemable capital - secured (non-participatory)	805,118	805,118

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

Lease liability

28,874

29,160

Foreign currency convertible bonds - unsecured

5,067,090

5,032,036

5,967,943

5,933,174

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Unaudited September 30, 2023	Audited June 30, 2023
--- (Rupees in thousand) ---		
15 Creditors, accrued and other liabilities		
Trade creditors	142,725	134,166
Provisions and accrued liabilities	328,166	328,630
Payable to statutory bodies	101,910	101,702
Security deposits	58,042	59,560
Rentals against investment property received in advance	10,545	44,208
Retention money	5,461	5,461
Payable to contractors	2,699	2,699
Others	176,434	187,886
	<u>825,982</u>	<u>864,529</u>
16 Accrued finance cost		
Long term finances - secured	35,797	35,557
Redeemable capital - secured (non-participatory)	1,327,215	1,313,188
Lease liability	-	-
	<u>1,363,012</u>	<u>1,348,745</u>

17 Contingencies and commitments

17.1 Contingencies

17.1.1 Claims against the Company not acknowledged as debts amounting to Rs.21.64 million (30 June 2022: Rs.21.64 million).

17.1.2 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 financial statements.

17.1.3 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 financial statements.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

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. Rs. 26.27 million (30 June 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 Rs. 900 million (30 June 2023: Rs. 900 million) as per the approval of shareholders through the special resolution dated 29 July 2006.

	Unaudited September 30, 2023	Audited June 30, 2023
<i>Note</i>	--- (Rupees in thousand) ---	

18 Property, plant and equipment

Operating fixed assets	18.1	376,351	380,939
Capital work in progress		58,847	58,847
Right-of-use assets	18.2	99,210	100,406
		<u>534,408</u>	<u>540,192</u>

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the quarter ended 30 September 2023

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											
Period ended 30 September 2023											
Opening net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	380,939
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(1,485)	-	(255)	(1,902)	(46)	(49)	(13)	(839)	(4,588)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	117,282	-	9,943	74,174	1,807	1,915	138	15,939	376,351
Gross carrying value basis											
Period ended 30 September 2023											
Cost	155,152	-	221,948	-	78,794	195,955	12,060	11,801	10,280	67,732	753,722
Accumulated depreciation	-	-	(104,666)	-	(68,376)	(110,476)	(10,244)	(9,762)	(10,142)	(51,793)	(365,458)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	(11,912)
Net book value	155,152	-	117,282	-	9,944	74,174	1,807	1,915	138	15,939	376,351
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 Barika 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.

*** Building on leasehold land represents 8,227 square feet (2021: 8,227 square feet) relating to 2nd and 3rd floors of Fortress Project, Lahore the right of which had been acquired for 33 years in 2011 from Fortress Stadium management, Lahore Cantt. During the current year the said property was transferred to investment property because it was no longer used by the Company and it was decided that the building would be leased to the third party. Immediately before the transfer, the building was re-measured at the fair value and a revaluation surplus of Rs. 47,057 million was recognized in OCI. The valuation techniques and significant input used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at reporting date.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023 --- (Rupees in thousand) ---	Audited 30 June 2023
18.2 Right-of-use assets		
Land		
<i>Cost</i>		
Balance as at 01 July	119,496	119,496
Additions / (deletions) during the year	-	-
Balance as at 30 September	<u>119,496</u>	<u>119,496</u>
<i>Accumulated depreciation</i>		
Balance as at 01 July	(19,091)	(14,320)
Depreciation charge during the year	(1,195)	(4,770)
Balance as at 30 September	<u>(20,286)</u>	<u>(19,091)</u>
Closing net book value	<u>99,210</u>	<u>100,405</u>
Rate of depreciation	<u>4%</u>	<u>4%</u>
Electrical equipment		
<i>Cost</i>		
Balance as at 01 July	15,339	15,339
Additions / (deletions) during the year	-	-
Balance as at 30 September	<u>15,339</u>	<u>15,339</u>
<i>Accumulated depreciation</i>		
Balance as at 01 July	(15,339)	(12,017)
Depreciation charge during the year	-	(3,322)
Balance as at 30 September	<u>(15,339)</u>	<u>(15,339)</u>
Closing net book value	<u>0</u>	<u>0</u>
Rate of depreciation	<u>#####</u>	<u>33%</u>
19 Intangible assets		
Optical fiber	2,138	2,257
Computer software	230	236
	<u>2,368</u>	<u>2,493</u>
19.1 Optical fiber - Royalty		
Cost	9,508	9,508
<i>Accumulated amortisation</i>		
As at 01 July	(7,251)	(6,775)
Amortisation for the year	(119)	(476)
Balance as at 30 September	<u>(7,370)</u>	<u>(7,251)</u>
Book value as at 30 June	<u>2,138</u>	<u>2,257</u>
Rate of amortisation	<u>5%</u>	<u>5%</u>
19.2 Computer software		
Cost	2,878	2,878
<i>Accumulated amortisation</i>		

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

As at 01 July

Amortisation for the year

Balance as at 30 September

Book value as at 30 September

Rate of amortisation

(2,642)	(2,616)
(7)	(26)
(2,649)	(2,642)
230	236
#####	10%

Cost		Fair value	
Un-Audited 30 September 2023	Audited 30 June 2023	Un-Audited 30 September 2023	Audited 30 June 2023
--- (Rupees in thousand) ---			

20 Investment property

Balance as at 01 July	964,825	883,931	1,898,694	1,803,239
Initial Recognition of ROU	-	-	-	-
Fair value gain/ (loss) on recognition of ROU	-	-	-	-
Transfer from Inventory at cost	-	-	-	-
Transfer from PPE at cost	-	-	-	-
		80,894		80,894
Adjusted balance as at 01 July	964,825	964,825	1,898,694	1,884,133
Fair value gain/ (loss) recorded in statement of profit or loss	-	-	(5,433)	14,562
Disposal during the year	-	-	-	-
As at 30 September	964,825	964,825	1,893,261	1,898,694

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

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-- Contractual undiscounted cash flows

Lease payments receivable	Rupees
1 - 3 years	17,107,200
4 - 6 years	22,968,000
7 - 9 years	28,710,000
10 - 12 years	35,887,500
13 - 15 years	44,859,375
More than 15 years	342,185,669
	<u>491,717,744</u>

	Unaudited September 30, 2023	Audited June 30, 2023
	--- (Rupees in thousand) ---	
21.3 Reconciliation		
Total lease receivable	491,718	492,985
Less: Unearned finance income	(375,496)	(378,243)
Net investment in lease	<u>116,222</u>	<u>114,742</u>
Less: Current portion of lease receivable	(6,019)	(5,702)
Non Current portion of lease receivable	<u>110,202</u>	<u>109,040</u>

Note

22 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%)

22.1

22.1 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
	<u>1,123,368</u>	<u>1,178,011</u>
Share of profit/(Loss) for the year		
- before taxation	(8,295)	(54,643)
- provision for taxation	-	-
Share of other comprehensive loss	(8,295)	(54,643)
	-	-
Balance as on	<u>1,115,073</u>	<u>1,123,368</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

23 Long term advances and deposits

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

24 Stock-in-trade

		Unaudited September 30, 2023	Audited June 30, 2023
	Note	--- (Rupees in thousand) ---	
Land purchased for resale	24.2	930,765	930,765
Work in progress			
- Pace Tower	24.3	650,158	650,158
- Pace Circle	24.4	670,650	670,650
- Pace Supermall		354,600	354,600
Completed units - shops		<u>164,630</u>	<u>168,091</u>
		2,770,803	2,774,264
Stores inventory		<u>3,659</u>	<u>392</u>
		<u>2,774,462</u>	<u>2,774,656</u>

24.1 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.

24.2 This represents plot purchased for resale purposes amounting to Rs. 900 million (June 30, 2023: Rs. 900 million).

24.3 Included in work in progress are borrowing costs of Rs. 101 million (June 30, 2023: Rs. 101 million).

24.4 Pace Circle is a project carried by Pace Barka (Private) Limited (an associated company). The project is under construction as at year end and the Company has realized the cumulative payments made till the year end as its inventory while remaining amount is shown in commitments note.

25 Trade debts

Secured

Considered good	25.1	625,824	635,083
Unsecured		<u>360,116</u>	<u>423,074</u>
		985,940	1,058,157
Less: Impairment allowance		<u>(539,221)</u>	<u>(539,221)</u>
		<u>446,719</u>	<u>518,936</u>

25.1 This includes the following amounts due from related parties:

Remy Apparel (Formerly Rema and Shehrbano)	4,738	4,738
First Capital Investment Limited & First Capital Mutual Fund	4,580	4,580
First Capital Equities Limited	118,441	118,441
First Capital Securities Corporation Limited	6,681	6,681
Connatural Cosmetics	<u>1,450</u>	<u>1,450</u>
	<u>135,890</u>	<u>135,890</u>

26 Advances, deposits, prepayments and other receivables

Advances - considered good:			
- to employees	26.1	18,486	11,750

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

- to suppliers		60,682	29,087
Security deposits		785	785
Others - considered good	26.3	56,288	44,087
	26.2	<u>136,241</u>	<u>85,709</u>

- 26.1** Advances to employees include advances against salary and gratuity, repayable within one year and at the time of final settlement, respectively. This includes Rs. 4.34 million (June 30, 2023: Rs. 4.34 million) advance given to executive employee of the Company.
- 26.2** The maximum aggregate advance given to these related parties against provision of services at the end of any month was Rs. 16.91 million (June 30, 2023: Rs. 16.91 million)
- 26.3** This includes rent receivable from a related party 'Media Times Pvt. Limited' amounting to Rs. 10.61 million (June 30, 2023: Rs. 10.84 million). The amount also includes impairment allowance of Nil (June 30, 2023: Nil) recognised in the current year.

		Unaudited September 30, 2023	Audited June 30, 2023
	Note	--- (Rupees in thousand) ---	
27 Income tax refundable - net			
Income tax refundable	27.1	34,614	32,367
Provision for taxation - current		(852)	(3,023)
		<u>33,762</u>	<u>29,344</u>

- 27.1** 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.

28 Cash and bank balances

Cash in hand		17	16
Cash at banks			
- Current accounts	28.1	19,618	19,106
- Saving accounts	28.2	1,487	836
		21,105	19,942
Impairment allowance for expected credit loss		(302)	(302)
		<u>20,820</u>	<u>19,656</u>

- 28.1** This includes Rs. 17 million (June 30, 2023: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

- 28.2** This carries profit at the rates ranging from 12.25% to 13.5% (June 30, 2023: 5.5% to 12.25%) per annum.

		Un-Audited	
	Note	30 September 2023	30 September 2022
		--- (Rupees in thousand) ---	
29 Revenue			
Sale of Pace Tower units		-	-
Sale of Completed Units - Others		-	-
Sale of Land		-	-
Display of advertisements		1,334	17,278
Service charges - net	29.1	40,726	25,652
Revenue from contract with customers		<u>42,061</u>	<u>42,931</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

Other revenue

Rental income from lease of investment property

18,534

18,244

Total revenue

60,594

61,174

29.1 Services charges - net

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

	2023	2022
	--- (Rupees in thousand) ---	
Insurance	-	659
Fuel and power	161	34,873
Janitorial and security charges	60	845
	<u>221</u>	<u>36,377</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Note	Un-Audited	
		30 September 2023	30 September 2022
		--- (Rupees in thousand) ---	
30 Cost of revenue			
Shops and commercial buildings sold			
- at percentage of completion basis		-	-
- at completion of project basis		-	-
Stores operating expenses	30.1	12,589	17,389
		<u>12,589</u>	<u>17,389</u>
30.1 Stores operating expenses			
Salaries, wages and benefits		8,509	7,306
Rent, rates and taxes		72	1,825
Depreciation on owned assets		2,753	2,695
Depreciation on right-of-use assets		1,195	2,473
Repairs and maintenance		60	2,492
Others		-	598
		<u>12,589</u>	<u>17,389</u>
31 Administrative and selling expenses			
Salaries, wages and benefits		12,827	13,908
Travelling and conveyance		651	276
Rent, rates and taxes		338	-
Printing and stationery		65	45
Repairs and maintenance		2,406	9,259
Motor vehicles running		1,512	56
Communications		80	85
Advertising and sales promotion		-	1,500
Depreciation on owned assets		1,835	2,035
Amortisation on intangible assets		126	126
Legal and professional		3,036	350
Commission		-	1,581
Office expenses		15,355	8,779
Other expenses		0	213
		<u>38,231</u>	<u>38,213</u>
32 Other income			
<u>Income from financial assets</u>			
Mark-up on bank accounts		61	40
Commission on guarantee		309	309
Finance Income from Lease Receivable		2,747	2,612
<u>Others</u>			
Income from parking and storage		-	60

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

Others

	Un-Audited	
	30 September 2023	30 September 2022
<i>Note</i>	--- (Rupees in thousand) ---	
	<u>1,918</u>	-
	<u>5,034</u>	<u>3,021</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited	
	30 September 2023	30 September 2022
	--- (Rupees in thousand) ---	

33 Finance cost

Interest and mark-up on:

- Long term finances - secured	4,277	-
- Foreign currency convertible bonds - unsecured	-	8,910
- Redeemable capital - secured (non-participatory)	25,634	25,380
- Notional interest on lease liability	6,316	6,237
	<u>36,227</u>	<u>40,527</u>
Bank charges and processing fee	49	49
	<u>36,276</u>	<u>40,576</u>

34 Taxation

Income Tax

- Current Year	852	765
	<u>852</u>	<u>765</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 (30 September 2021: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

35 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 September 2022 (30 September 2021: Nil).

	Un-Audited	
	30 September 2023	30 September 2022
	--- (Rupees in thousand) ---	
Loss for the year	<u>(71,101)</u>	<u>(97,745)</u>
Weighted average number of ordinary shares outstanding during the year	<u>278,877</u>	<u>278,877</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Note	July to September	
		2023	2022
		--- (Rupees in thousand) ---	
36 Cash generated/ (used in) from operations			
Loss before tax		(70,250)	(409,499)
Adjustment for:			
Exchange (gain)/ loss on foreign currency convertible bonds	11.2	35,054	348,086
Provision for gratuity and leave encashment	12.1 & 12.2	683	1,832
Depreciation on owned assets	18.3	4,588	4,730
Depreciation on right-of-use assets	18.3	1,195	2,473
Amortisation on intangible assets	19	126	126
Changes in fair value of investment property	20	5,433	29,122
Rental income		-	-
Finance costs	33	36,227	40,527
Mark-up income	32	(61)	(40)
Other non cash items	32	(4,665)	-
(Loss) / Gain before working capital changes		8,332	17,357
<i>Effect on cash flow due to working capital changes:</i>			
(Increase)/ Decrease in stock-in-trade		194	(8,539)
(Increase)/ Decrease in trade debts		59,737	(20,324)
(Increase)/ Decrease in advances, deposits and other receivables		(50,532)	162
Increase/ (Decrease) in contract liability		25,554	9,865
Increase/ (Decrease) in creditors, accrued and other liabilities		(30,249)	9,893
		4,704	(8,943)
		13,035	8,413
		Unaudited	Audited
		September 30,	June 30,
		2023	2023
		--- (Rupees in thousand) ---	
37 Cash and cash equivalents			
Cash and bank balances	28	20,820	19,656

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

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

	30 September 2023 (Un-audited)							
	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	802,985	178,821	5,032,036	1,348,745
<u>Cash flows</u>								
Long term loan paid during the year	-	-	-	-	-	-	-	-
Repayment of lease rentals	-	-	-	-	-	(6,661)	-	-
Finance cost paid	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	-	(6,661)	-	-
<u>Non-cash changes</u>								
Exchange (gain)/ loss	-	-	-	-	-	-	35,054	-
Recognized during the year	-	-	-	-	-	-	-	-
Waiver of interest	-	-	-	-	-	-	-	-
Debt Asset Swap	-	-	-	-	-	-	-	-
Settlement	-	-	-	-	-	-	-	-
Lease Liability recognized during the year	-	-	-	-	-	-	-	-
Reclassified to accrued liabilities	-	-	-	-	-	-	-	-
Finance cost/unwinding of interest expense	-	-	-	-	-	6,316	-	14,267
Total non-cash changes	-	-	-	-	-	6,316	35,054	14,267
Balance as at 30 September 2023	2,788,766	273,265	47,037	66,860	802,985	178,475	5,067,090	1,363,012

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	30 June 2023 (Audited)							
	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
<i>Cash flows</i>								
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)	-	-
<i>Non-cash changes</i>								
Exchange (gain)/ loss Recognized during the year	-	-	-	-	-	-	1,421,449	-
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

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

39 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. 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	Un-Audited	Un-Audited
			30 September 2023	30 September 2022
			--- (Rupees in thousand) ---	
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of goods and services	8,539	1,456
Media Times Limited	Common Directorship	Rental income	1,267	2,490
		Advertisement expense on behalf of Pace	1,500	-

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

40 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.

40.1 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:

		Un-Audited 30 September 2023	Audited 30 June 2023
	Note	--- (Rupees in thousand) ---	
Long term advances and deposits		15,248	15,248
Trade debts	25	446,719	518,936
Advances, deposits, prepayments and other receivables	26	75,559	56,622
Bank balance	28	21,105	19,942
Lease Receivable	21	116,222	114,742
Contract asset		356,817	356,817
		<u>1,031,670</u>	<u>1,082,306</u>

40.2 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.

40.3 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

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

40.4 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:

	Un-Audited 30 September 2023	Audited 30 June 2023
	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	17,527	17,527

Following is the Company's exposure to currency risk:

The exchange rate applicable at the reporting date is 289.10 (June 30, 2023: 287.10)

40.5 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:

	Note	Un-Audited 30-Sep-23		Audited 20-Jun-23	
		Financial asset	Financial liability	Financial asset	Financial liability
		--- (Rupees in thousand) ---			
Non-derivative financial - instruments					
Fixed rate instruments					
Long term finances - secured	8	-	66,860	-	66,860
Foreign currency convertible bonds	11	-	5,067,090	-	5,032,036
Lease liability	10	-	178,455	-	178,822
Cash at bank	28	1,487	-	836	-
Variable rate instruments					
Redeemable capital - secured	9	-	805,118	-	805,118
		1,487	6,117,524	836	6,082,836

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.

40.6 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).

40.7 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.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2023

	Un-Audited 30 September 2023	Audited 30 June 2022
	--- (Rupees in thousand) ---	
Total liabilities	8,693,710	8,657,065
Less: cash and cash equivalents	(20,820)	(19,656)
Net debt	8,672,890	8,637,409
Total equity	(1,335,341)	(1,264,240)
Net debt to equity ratio	(6.49)	(6.83)

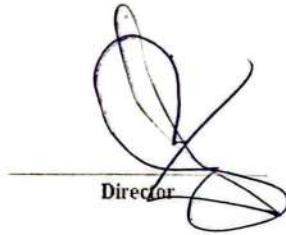
41 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 27th October 2023 by the Board of Directors of the Holding Company.

42 Corresponding figures

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


Chief Executive Officer


Director


Chief Financial Officer