

PACE (PAKISTAN) LIMITED

FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2024

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
Shehribano Taseer	Non-Executive
Umair Fakhra Alam	Non-Executive
Shavez Ahmad	Independent

Chief Financial Officer

Muhammad Waheed Asghar

Audit Committee

Shavez Ahmad (Chairman)
Shehribano Taseer (Member)
Sikander Rashid Choudry (Member)

Human Resource and Remuneration (HR&R) Committee

Shavez Ahmad (Chairman)
Aamna Taseer (Member)
Shehribano Taseer (Member)

Risk Management Committee

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

Company Secretary

Sajjad Ahmad

Auditors

M/s Junaidy Shoaib Asad,
Chartered Accountants

Legal Advisers

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

Bankers

Allied Bank Limited
Albaraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
Silkbank Limited

Registrar and Shares Transfer Office

Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial Model Town, Lahore
Tele: + 92-42-5839182

Registered Office

First Capital House
96-B/1, Lower Ground Floor
M.M. Alam Road, Gulberg-III Lahore,
Pakistan
Tele: + 92-42-35778217-18

Directors' Report (Quarter Ended September -2024)

Pace (Pakistan) Limited (“the Company” or “Pace”)

Economic Review and Outlook

Pakistan's economy showed further signs of stability and progress in the positive direction aided with the approval of the 37 month IMF EFF program approval in the period under review. The fulfillment of all preconditions for the program were met mostly in the budget and partly post budget, including multiple rollover loans and deposits from friendly countries. Along with developments on the IMF front, inflows and roll-overs from friendly countries including China, Saudi Arabia and UAE, and surpluses in current account of the balance of payments helped Pakistan in increasing foreign exchange reserves to USD15.401 billion at end September compared to USD13.996 billion at the end of June 2024. Effective measures to control exchange rate along with larger inflows and lower deficits during the period aided the PKR to appreciate by 0.19% vs the USD in the interbank market, decelerating inflation at 6.93% for September 2024, the lowest since January 2021 compared to 12.6% in June 2024, allowed the Monetary Policy Committee (MPC) of the central bank to reduce Policy Rate by 3% from 20.5% (June) to 17.5% in September. Expectations of interest rate in near future to reduce further prevail as the twin deficits are well under control and inflation gather momentum. With early success in majority of the areas of the IMF benchmarks, barring a few, Pakistan is heading for a longer and larger positive consolidation and gradual growth as long as it continues to meet the IMF benchmarks and acts timely to make adjustments in policies on any hurdles along the way. As a result of the measures taken so far, inflationary pressures are likely to remain subdued all though a tighter monetary policy is likely to prevail as is evident by large the real positive rates in the months to come. Risks to the economy remain from any sudden spike in energy prices given the wars in the Middle East and Central Asia, and any local political volatility leading towards hurdles in meeting IMF agreed benchmarks. Fiscal account is likely to see some easing with reduced expenditure on debt servicing due to decline in interest rates, along with higher tax revenues, as FBR is striving to closely meet the collection target, though additional taxation measures are likely to be brought in as Pakistan moves forward. With external support of the IMF and other bilateral and multilateral partners, particularly expected investment from the Saudi Arabia primarily in Reko Diq, Pakistan's foreign exchange reserves are likely to improve further going forward that may lead to a stable external account and improvement in credit rating of the country towards end of first quarter 2025. Growth is likely to be slow albeit progressive and possibility of surprises above expectations in the quarters to come, as interest rates continue to fall, while liquidity continues to rise due to faster sterilization of dollars in the economy.

Company Performance and Financial Overview

The comparison of the financial results for the quarter ended 30th September 2024, with previous financial period is as under:

	Sep End 2024	Sep End 2023
	Rupees in '000'	
Sales	474,139	60,594
Cost of Sales	(251,466)	(12,589)
Gross Profit	222,672	48,005
Admin & Selling Expenses	(39,731)	(38,231)
Other Income	9,703	5,034

Exchange Gain/(loss) on foreign currency convertible bond	11,009	(35,054)
Finance Cost	(39,866)	(36,276)
Other Operating expenses	-	-
Gain from change in FV of investment property	(991)	(5,433)
Net profit/(loss) before tax	162,796	(61,955)
Net profit/(loss) after tax	156,870	(62,806)
Earnings/(Loss) per share (PKR)	0.56	(0.23)

During the period under review, the revenue of the Company amounted to Rs. 61,174 Million as compared to Rs. 474,139 Million last year. Cost of Sales also increased from Rs251,466 Million last year to Rs. 12,589 Million current period. Administrative expenses were Rs 38,231 million against Rs 39,731 million. Other income of the company stands at PKR 9,703 Million as compared to Rs. 5,034 million last year. There is an exchange gain during the current year as well of Rs. 36,276 Million on Foreign Currency Convertible Loan due to appreciation of Pak-Rupee against US Dollars. Finance costs during the period increased from Rs. (36,276) million to Rs.(39,866). million, due to change in KIBOR rate.

As a result of aforementioned factors, the profit for the period under consideration amounted to Rs. (62,806) million as compared to loss of last period of Rs. 156,870 million, resulting in Profit Per Share of Rs. 1.89 as compared to Loss per share of Rs. 6.02 last period.

Board of Directors

There is no change in the composition of the Board of Directors since last printed report of the Company for the period ended 30 September 2024.

The Path Forward

Through the delivery of key development projects during the preceding financial year including First Capital Tower 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.

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

29 October 2024

Director

Chief Executive Officer

Pace (Pakistan) Limited

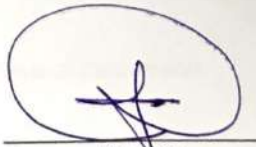
Condensed Interim Unconsolidated Statement of Financial Position

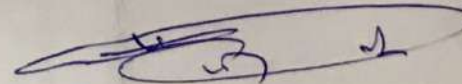
As at 30th September 2024

EQUITY AND LIABILITIES	Note	Un-audited	Audited	ASSETS	Note	Un-audited	Audited
		September 30, 2024	June 30, 2024			September 30, 2024	June 30, 2024
— (Rupees in thousand) —				— (Rupees in thousand) —			
<u>Share capital and reserves</u>				<u>Non-current assets</u>			
Authorised capital	7	6,000,000	6,000,000	Property, plant and equipment	13	522,337	527,918
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766	Intangible assets		1,869	1,993
Share premium	7	273,265	273,265	Investment property		1,886,824	1,887,815
Revaluation Surplus		47,037	47,037	Lease Receivable		115,180	113,850
Accumulated loss		(4,101,542)	(4,258,412)	Long term investments		2,598,099	2,598,099
		(992,474)	(1,149,344)	Long term advances and deposits	14	13,619	13,619
				Deferred taxation		-	-
						5,137,927	5,143,334
<u>Non-current liabilities</u>				<u>Current assets</u>			
Long term finances - secured	8	-	-	Stock-in-trade	15	1,360,404	1,213,917
Redeemable capital - secured (non-participatory)	9	-	-	Trade debts	16	859,095	859,644
Lease liability		149,792	149,660	Advances, deposits, prepayments and other receivables		93,772	107,318
Foreign currency convertible bonds - unsecured	10	-	-	Lease Receivable		6,336	6,336
Deferred liabilities		55,086	53,900	Income tax refundable - net		22,024	20,552
		204,878	203,560	Cash and bank balances	17	19,533	32,410
						2,361,165	2,240,177
<u>Current liabilities</u>							
Contract liability		200,392	254,348				
Current maturity of long term liabilities		5,754,251	5,765,448				
Creditors, accrued and other liabilities	11	752,564	763,475				
Accrued finance cost		1,579,481	1,546,024				
		8,286,688	8,329,295				
<u>Contingencies and commitments</u>							
	12	7,499,092	7,383,511			7,499,092	7,383,511

The annexed notes from 1 to 28 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

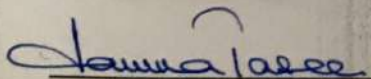
Pace (Pakistan) Limited

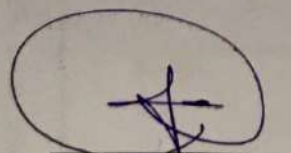
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

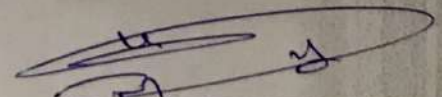
For the quarter ended 30 September 2024

	Note	July to September	
		2024	2023
		--- (Rupees in thousand) ---	
Revenue	18	474,139	60,594
Cost of Revenue	19	(251,466)	(12,589)
Gross Profit		222,672	48,005
Administrative and selling expenses		(39,731)	(38,231)
Other income	20	9,703	5,034
Profit/ (Loss) from operations		192,645	14,808
Finance cost	21	(39,866)	(36,276)
Exchange Gain/ (Loss) on foreign currency convertible bonds		11,009	(35,054)
Loss from change in fair value of investment property		(991)	(5,433)
Profit / (Loss) before income tax and minimum taxes		162,796	(61,955)
Minimum Tax	22	(5,927)	(852)
Profit/(Loss) before income tax		156,870	(62,806)
Taxation	23	-	-
Profit/ (Loss) after Taxation		156,870	(62,806)
Profit/ (Loss) per share - basic and diluted	24	0.56	(0.23)

The annexed notes from 1 to 28 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

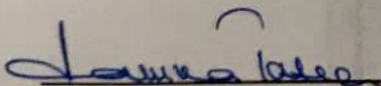
Pace (Pakistan) Limited

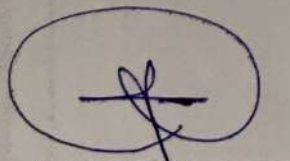
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

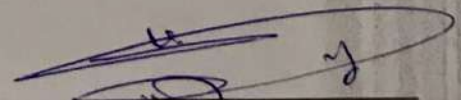
For the quarter ended 30 September 2024

	July to September	
	2024	2023
	--- (Rupees in thousand) ---	
Loss for the year	156,870	(62,806)
<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	156,870	(62,806)

The annexed notes from 1 to 28 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

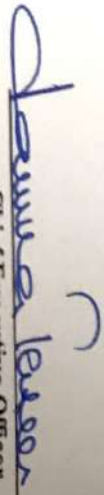
Pace (Pakistan) Limited

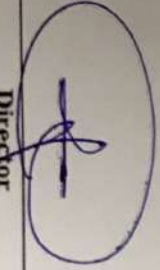
Condensed Interim Unconsolidated Statement of Changes In Equity


For the quarter ended 30 September 2024

	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 2023	2,788,766	273,265	47,037	(4,786,581)	(1,677,513)	
<i>Total comprehensive loss for the year ended 30 June 2024</i>						
Loss after taxation	-	-	-	526,690	526,690	
Other comprehensive income	-	-	-	1,479	1,479	
				528,169	528,169	
Balance as at 30 June 2024 (Audited)	2,788,766	273,265	47,037	(4,258,412)	(1,149,344)	
<i>Total comprehensive loss for the period ended 30 September 2024</i>						
Loss after taxation	-	-	-	156,870	156,870	
Other comprehensive income	-	-	-	-	-	
				156,870	156,870	
Balance as at 30 September 2024 (Un-audited)	2,788,766	273,265	47,037	(4,101,542)	(992,474)	

The annexed notes from 1 to 28 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

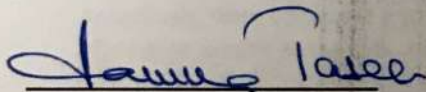
Pace (Pakistan) Limited

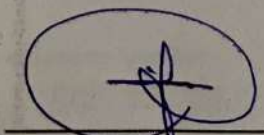
Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

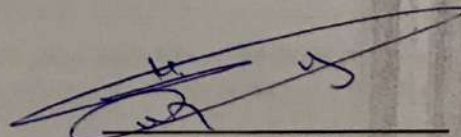
For the quarter ended 30 September 2024

	Note	July to September	
		2024	2023
--- (Rupees in thousand) ---			
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	24	(11,782)	13,034
Taxes paid		(1,472)	(5,269)
Net cash generated/ (used in) from operating activities		(13,254)	7,765
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		-	-
Income on bank deposits received		376	61
Net cash used in from investing activities		376	61
<u>Cash flow from financing activities</u>			
Payments of lease liability		-	(6,661)
Net cash used in financing activities		-	(6,661)
Net increase/ (decrease) in cash and cash equivalents		(12,877)	1,164
Cash and cash equivalents - at beginning of the period		32,410	19,636
Cash and cash equivalents - at end of the quarter		19,533	20,800

The annexed notes from 1 to 28 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 2024

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

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 5,925.52 million (June 30, 2024: Rs. 6,089.12 million), and accumulated losses of the Company stand at Rs. 4,101.54 million (June 30, 2024: Rs. 4,258.41 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. 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 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.

Further, company has also started 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. 3,246/- 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.

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%
Pace Barka Properties Limited	Pakistan	52%
Pace Multiplierz (Private) Limited	Pakistan	100%

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

3.2 Statement of compliance

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

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

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

3.3 Basis of measurement

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

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

3.4 Functional and presentation currency

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

4 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective**4.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company**

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 21 - Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025
IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 19 - Subsidiaries without Public Accountability	January 1, 2027

IFRS 18 - Presentation and Disclosures in Financial Statements

January 1, 2027

IFRS 17 Insurance Contracts

January 1, 2023

(Notified by SECP for the period commencing from 1st January 2026)

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

5 Use of estimates and judgments

The preparation of 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 2024 --- (Rupees in thousand) ---	Audited 30 June 2024	Un-Audited 30 September 2024 --- (Number of Shares) ---	Audited 30 June 2024
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7 Share capital and reserves

7.1 Authorised capital

Ordinary shares of Rs. 10 each	6,000,000	6,000,000	600,000,000	600,000,000
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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
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

Un-Audited	Audited
30 September	30 June
2024	2024
--- (Rupees in thousand) ---	

7.3 Share premium

Share premium reserve

<u>273,265</u>	<u>273,265</u>
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This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.

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

8 Long term finances - secured

PAIR Investment Company Limited
Less: Current maturity presented under current liabilities
Non Current portion

58,695	66,860
<u>(58,695)</u>	<u>(66,860)</u>
<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

	Un-Audited 30 September 2024	Audited 30 June 2024
	--- (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	(805,118)	(805,118)
Non Current portion	-	-
10 Foreign currency convertible bonds - unsecured		
Opening balance	4,878,519	5,032,036
Mark-up accrued during the year	-	-
	<u>4,878,519</u>	<u>5,032,036</u>
Exchange loss/ (gain) for the year	(11,009)	(153,517)
	<u>4,867,510</u>	<u>4,878,519</u>
Less: Current portion shown under current liabilities	(4,867,510)	(4,878,519)
Non Current portion	-	-

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

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

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

Unaudited Audited
September 30, June 30,
2024 2024
--- (Rupees in thousand) ---

11 Creditors, accrued and other liabilities

Trade creditors	120,551	137,920
Provisions and accrued liabilities	378,671	386,466
Payable to statutory bodies	61,176	61,158
Security deposits	15,333	14,516
Rentals against investment property received in advance	39,530	37,800
Retention money	5,461	5,461
Payable to contractors	2,503	-
Others	129,339	120,154
	752,564	763,475

12 Contingencies and commitments

12.1 Contingencies

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

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

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the 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.

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

12.2 Commitments

12.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Nil (2024: Nil).

12.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in favor of The Bank of Punjab, amounting to Nil (2024: Nil) as per the approval of shareholders through the special resolution dated 29 July 2006.

		Unaudited September 30, 2024	Audited June 30, 2024
	<i>Note</i>	--- (Rupees in thousand) ---	
13 Property, plant and equipment			
Operating fixed assets	13.1	369,048	373,436
Capital work in progress		58,847	58,847
Right-of-use assets	13.2	94,442	95,635
		522,337	527,918

(Pakistan) Limited
 Notes to the Condensed Interim Unconsolidated Financial Statements
 for the quarter ended 30 September 2024

13.1 Operating fixed assets

Net carrying value basis	Freehold land *		Leasehold land **		Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Electrical equipment (Rupees in thousand)	Office equipment and appliances	Furniture and fixtures	Computers	Vehicles	Total
	0%	0%	5%	3%	10%	10%	10%	10%	10%	10%	33%	20%	
Period ended 30 September 2024													
Operating net book value	155,152	-	112,829	-	9,178	79,317	1,668	1,768	101	13,422	-	-	373,436
Additions (at cost)	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(1,410)	-	(229)	(1,983)	(42)	(4)	(8)	(671)	-	-	(4,388)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	111,419	-	8,949	77,334	1,626	1,724	93	12,751	-	-	369,038
Gross carrying value basis													
Period ended 30 September 2024													
Net carrying value basis	155,152	-	221,948	-	78,794	195,955	12,060	1,801	10,280	67,732	-	-	753,722
Accumulated depreciation	-	-	(104,501)	-	(68,350)	(110,557)	(10,210)	(9,757)	(10,137)	(51,625)	(9)	-	(365,258)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	-	-	(11,913)
Net book value	155,152	-	117,356	-	9,969	74,093	1,811	1,920	147	16,107	-	-	376,551
Depreciation % per annum	0%	0%	5%	3%	10%	10%	10%	10%	33%	20%	-	-	
Net carrying value basis													
Year ended 30 June 2024													
Operating net book value	155,152	-	118,767	-	10,198	76,075	1,853	1,964	151	16,778	-	-	380,939
Additions (at cost)	-	-	-	-	-	11,123	-	-	-	-	-	-	11,123
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(5,938)	-	(1,020)	(7,881)	(185)	(196)	(50)	(3,386)	-	-	(18,626)
Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	155,152	-	112,829	-	9,178	79,317	1,668	1,768	101	13,422	-	-	373,436
Gross carrying value basis													
As at June 2024													
Net carrying value basis	155,152	-	221,948	-	78,794	195,955	12,060	1,801	10,280	67,732	-	-	753,722
Accumulated depreciation	-	-	(103,181)	-	(68,121)	(108,574)	(10,198)	(9,713)	(10,129)	(50,954)	(0)	-	(360,870)
Accumulated impairment	-	-	-	-	(475)	(11,305)	(8)	(124)	(0)	-	-	-	(11,912)
Net book value	155,152	-	118,767	-	10,198	76,076	1,833	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.

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

Un-Audited
30 September
2024
--- (Rupees in thousand) ---

Audited
30 June
2024

13.2 Right-of-use assets

Land

Cost

Balance as at 01 July	119,496	119,496
Additions / (deletions) during the year	-	-
Balance as at 30 September	119,496	119,496

Accumulated depreciation

Balance as at 01 July	(23,861)	(19,091)
Depreciation charge during the year	(1,193)	(4,770)
Balance as at 30 September	(25,054)	(23,861)

Closing net book value

	94,442	95,635
--	--------	--------

Rate of depreciation

	4%	4%
--	----	----

Electrical equipment

Cost

Balance as at 01 July	15,339	15,339
Additions / (deletions) during the year	-	-
Balance as at 30 September	15,339	15,339

Accumulated depreciation

Balance as at 01 July	(15,339)	(12,017)
Depreciation charge during the year	-	(3,322)
Balance as at 30 September	(15,339)	(15,339)

Closing net book value

	0	0
--	---	---

Rate of depreciation

	33%	33%
--	-----	-----

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements For the quarter ended 30 September 2024

14 Long term advances and deposits

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

15 Stock-in-trade

	Unaudited September 30, #####	Audited June 30, #####
	--- (Rupees in thousand) ---	
Land not under development	21,600	21,600
Land purchased for resale	572,940	387,840
Work in progress		
- Pace Tower	616,648	651,800
- Pace Circle	-	-
Completed units - shops	<u>149,216</u>	<u>152,677</u>
	1,360,404	1,213,917
Stores inventory	<u>-</u>	<u>-</u>
	<u>1,360,404</u>	<u>1,213,917</u>

16 Trade debts

Secured

Considered good

993,313 1,036,434

Unsecured

502,682 460,110

1,495,995 1,496,544

Less: Impairment allowance

(636,900) (636,900)

859,095 859,644

17 Cash and bank balances

Cash in hand

- -

Cash at banks

- Current accounts

17.1 19,018 31,626

- Saving accounts

17.2 515 784

19,533 32,410

19,533 32,410

17.1 This includes Rs. 17 million (June 30, 2024: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

17.2 This carries profit at the rates ranging from 18.5% to 20% (June 30, 2024: 19.5% to 20.75%) per annum.

18 Revenue

Sale of Pace Tower units

408,942 -

Sale of Completed Units - Others

- -

Sale of Land

- -

Display of advertisements

224 1,334

Service charges

43,225 40,726

Revenue from contract with customers

452,391 42,061

Other revenue

Rental income from lease of investment property

21,748 18,534

Total revenue

474,139 60,594

	Un-Audited	
	30 September	30 September
	#####	
	--- (Rupees in thousand) ---	
Note		

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

	Un-Audited	
	30 September 2024	30 September 2023
	--- (Rupees in thousand) ---	
19 Cost of revenue		
Shops and commercial buildings sold		
- at percentage of completion basis	225,575	-
- at completion of project basis	-	-
Stores operating expenses	25,891	12,589
	<u>251,466</u>	<u>12,589</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

	Un-Audited	
	30 September 2024	30 September 2023
	--- (Rupees in thousand) ---	
21 Finance cost		
Interest and mark-up on:		
- Long term finances - secured	2,807	4,277
- Foreign currency convertible bonds - unsecured	-	-
- Redeemable capital - secured (non-participatory)	30,650	25,634
- Notional interest on lease liability	6,294	6,316
	<u>39,751</u>	<u>36,227</u>
Bank charges and processing fee	116	49
	<u>39,866</u>	<u>36,276</u>
22 Minimum Tax		
Minimum Tax	22.1 <u>5,927</u>	<u>852</u>
22.1	This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.	
23 Taxation		
Income Tax		
- Current Year	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

	<u>July to September</u>	
	2024	2023
Note	--- (Rupees in thousand) ---	
24 Cash generated/ (used in) from operations		
Loss before tax	162,796	(61,954)
Adjustment for:		
Exchange (gain)/ loss on foreign currency convertible bonds	(11,009)	35,054
Provision for gratuity and leave encashment	1,186	683
Depreciation on owned assets	4,388	4,588
Depreciation on right-of-use assets	1,193	1,195
Amortisation on intangible assets	125	126
Changes in fair value of investment property	991	5,433
Finance costs	39,751	36,227
Mark-up income	(376)	(61)
Other non cash items	(9,327)	(4,665)
	<u>189,717</u>	<u>16,627</u>
(Loss) / Gain before working capital changes		
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ Decrease in stock-in-trade	(146,487)	(6,194)
(Increase)/ Decrease in trade debts	549	59,737
(Increase)/ Decrease in advances, deposits and other receivables	13,546	(50,532)
Increase/ (Decrease) in contract liability	(53,956)	3,954
Increase/ (Decrease) in creditors, accrued and other liabilities	(15,151)	(16,946)
	<u>(201,500)</u>	<u>(3,593)</u>
	<u>(11,782)</u>	<u>13,034</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the quarter ended 30 September 2024

25 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 2024	30 September 2023
			— (Rupees in thousand) —	
Pace Baraka Properties Limited	Subsidiary	Guarantee commission income	-	309
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of goods and services	-	8,539
Media Times Limited	Common Directorship	Rental income	1,752	1,267
		Advertisement expense on behalf of Pace	-	1,500

26 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.

26.1 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 2024	Audited 30 June 2023
	Note — (Rupees in thousand) —	
Long term advances and deposits	13,619	13,619
Trade debts	859,095	859,644
Advances, deposits, prepayments and other receivables	72,458	56,622
Bank balance	19,533	32,410
Lease Receivable	116,222	114,742
	1,080,927	1,077,037

26.2 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.

26.3 Market risk

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

26.4 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 2024	Audited 30 June 2024
	-- (USD in thousand) --	
Foreign Currency Convertible Bonds - USD	17,527	17,527

Following is the Company's exposure to currency risk:

26.5 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:

	Un-Audited 30-Sep-24		Audited 30-Jun-24	
	Financial asset	Financial liability	Financial asset	Financial liability
	--- (Rupees in thousand) ---			
<u>Non-derivative financial - instruments</u>				
Fixed rate instruments				
Long term finances - secured	-	58,695	-	58,695
Foreign currency convertible bonds	-	4,867,510	-	4,878,519
Lease liability	-	172,720	-	172,776
Cash at bank	515	-	784	-
Variable rate instruments				
Redeemable capital - secured	-	805,118	-	805,118
	515	5,904,043	784	5,915,108

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.

26.6 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).

26.7 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 2024

	Un-Audited 30 September 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
Total liabilities	8,491,565	8,532,855
Less: cash and cash equivalents	(19,533)	(32,410)
Net debt	<u>8,472,032</u>	<u>8,500,445</u>
Total equity	<u>(992,474)</u>	<u>(1,149,344)</u>
Net debt to equity ratio	<u>(8.54)</u>	<u>(7.40)</u>


27 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on 29-10-2024 by the Board of Directors of the Company.

28 Corresponding figures

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


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited


Condensed Interim Consolidated Statement of Financial Position

As at 30th September 2024

EQUITY AND LIABILITIES		Un-audited		Audited		ASSETS	
		September 30, 2024	June 30, 2024	September 30, 2024	June 30, 2024		
		--- (Rupees in thousand) ---				--- (Rupees in thousand) ---	
<u>Share capital and reserves</u>							
Authorised capital	7	6,000,000	6,000,000	Property, plant and equipment	13	5,212,194	5,222,427
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766	Intangible assets		1,869	12,386
Share premium	7	273,265	273,265	Investment property		2,687,106	2,688,097
Revaluation Surplus		47,037	47,037	Lease Receivable		115,180	113,890
Accumulated loss		(3,258,027)	(3,397,058)	Goodwill		130	130
		(148,959)	(283,990)	Long term advances and deposits	14	14,483	16,113
Non-controlling interests		3,051,301	3,071,290			8,030,961	8,053,043
		2,902,342	2,787,300				
<u>Non-current liabilities</u>				<u>Current assets</u>			
Long term finances - secured	8	-	-	Stock-in-trade	15	3,164,149	3,167,556
Redeemable capital - secured (non-participatory)	9	-	-	Trade debts		1,422,290	1,313,832
Lease liability		149,581	149,660	Advances, deposits, prepayments and other receivables		100,316	128,928
Foreign currency convertible bonds - unsecured	10	-	-	Contract Assets		389,829	389,829
Deferred liabilities		98,826	97,640	Lease Receivable		6,336	6,336
Financial Liabilities		703,370	702,374	Income tax refundable - net		22,024	20,444
Consideration payable to customers		30,983	30,983	Cash and bank balances		22,722	35,792
Deferred Taxation		31,030	31,030			5,127,668	5,062,717
		1,013,790	1,011,687	Investment properties classified as held for sale		442,490	442,490
<u>Current liabilities</u>						5,570,158	5,505,207
Contract liability		717,233	764,954				
Current maturity of long term liabilities		5,899,601	5,910,798				
Creditors, accrued and other liabilities	11	1,025,108	1,073,923				
Provision for onerous contracts		287,247	287,247				
Accrued finance cost		1,585,798	1,552,341				
		9,514,986	9,589,263				
Down payment against sale of investment properties classified as held for sale		170,000	170,000				
		9,684,986	9,759,263				
Contingencies and commitments	12	13,601,119	13,558,250			13,601,119	13,558,250

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

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

For the quarter ended 30 September 2024

	Note	July to September	
		2024	2023
--- (Rupees in thousand) ---			
Revenue		476,390	60,594
Cost of Revenue		(261,586)	(12,589)
Gross Profit		214,804	48,005
Administrative and selling expenses		(59,166)	(38,231)
Other income		10,620	5,034
Other expenses		-	-
Profit/ (Loss) from operations		166,258	14,809
Finance cost		(55,307)	(36,276)
Share of profit/ (loss) from associate		-	(8,295)
Exchange (loss)/ gain on foreign currency convertible bonds	10.2	11,009	(35,054)
Loss from change in fair value of investment property		(991)	(5,433)
Profit / (Loss) before income tax and minimum taxes		120,969	(70,250)
Minimum Tax	16	(5,927)	(852)
Profit/(Loss) before income tax		115,042	(71,101)
Taxation	17	-	-
Profit/ (Loss) after Taxation		115,042	(71,101)
Attributable to:			
Owners of the Parent Company		135,032	(71,101)
Non-controlling interests		(19,989)	-
		115,042	(71,101)
Loss per share - basic and diluted	18	0.41	(0.25)

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

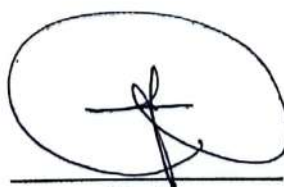
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended 30 September 2024

	July to September	
	2024	2023
	--- (Rupees in thousand) ---	
Profit/(Loss) for the year	115,042	(71,101)
<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 Income/(loss) for the year	115,042	(71,101)
Attributable to:		
Owners of the Parent Company	135,032	(71,101)
Non-controlling interests	(19,989)	-
	115,042	(71,101)

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


Chief Executive Officer



Director

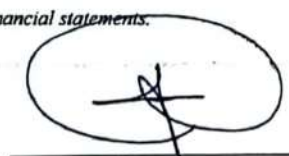

Chief Financial Officer

Pace (Pakistan) Limited
Consolidated Statement of Changes In Equity
For the quarter ended 30 September 2024

	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 2023	2,788,766	273,265	47,037	14,042	(4,387,349)	(1,264,239)	87,030	(1,177,210)
Non-controlling Interests at initial acquisition							2,959,104	2,959,104
Reclassified to Revenue reserve				(14,042)	14,042			
<i>Total comprehensive income for the year ended 30 June 2024</i>								
Profit/ (Loss) after taxation	-	-	-	-	980,890	980,890	27,097	1,007,987
Other comprehensive income	-	-	-	-	(641)	(641)	(1,941)	(2,582)
	-	-	-	-	980,249	980,249	25,156	1,005,405
Balance as at 30 June 2024 (Audited)	2,788,766	273,265	47,037	-	(3,393,058)	(283,990)	3,071,290	2,787,300
<i>Total comprehensive incomes for the period ended 30 September 2024</i>								
Profit/ (Loss) after taxation	-	-	-	-	135,032	135,032	(19,989)	115,042
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	135,032	135,032	(19,989)	115,042
Balance as at 30 September 2024 (Un-audited)	2,788,766	273,265	47,037	-	(3,258,027)	(148,959)	3,051,301	2,902,343

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

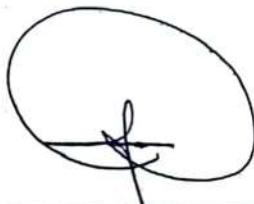
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the quarter ended 30 September 2024

	Note	July to September	
		2024	2023
--- (Rupees in thousand) ---			
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	19	6,698	13,035
Finance costs paid		(15,440)	-
Taxes paid		(1,778)	(5,269)
Net cash generated/ (used in) from operating activities		(10,520)	7,766
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		(306)	-
Income on bank deposits received		376	61
Net cash used in from investing activities		(3,546)	61
<u>Cash flow from financing activities</u>			
Receipts under financing arrangements		996	-
Payments of lease liability		-	(6,661)
Net cash used in financing activities		996	(6,661)
Net increase/ (decrease) in cash and cash equivalents		(13,069)	1,166
Cash and cash equivalents - at beginning of the period		35,792	19,656
Cash and cash equivalents - at end of the quarter		22,722	20,822

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the quarter ended 30 September 2024

1	The Group and its operations	2024	2023
		(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%
	Pace Barka Properties Limited	52.21%	0%
	Pace Multiplierz (Private Limited)	100%	0%
	Associate Company		
	Pace Barka Properties Limited	0.00%	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.

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

1.5 **Pace Barka Properties Limited**

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

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

1.6 Pace Multiplierz (Private Limited)

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

2 Going Concern Assumption

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 4,387.32 million (June 30, 2024: Rs. 4,526.547 million), and accumulated losses of the Company stand at Rs. 3,258.03 million (June 30, 2023: Rs. 3,393.058 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 2024

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 2024.

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 21 - Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025
IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 19 - Subsidiaries without Public Accountability	January 1, 2027

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

IFRS 18 - Presentation and Disclosures in Financial Statements

January 1, 2027

IFRS 17 Insurance Contracts

January 1, 2023

(Notified by SECP for the period commencing from 1st January 2026)

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

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 2024 --- (Rupees in thousand) ---	Audited 30 June 2024	Un-Audited 30 September 2024 --- (Number of Shares) ---	Audited 30 June 2024
--	----------------------------	--	----------------------------

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	<u>771,721</u>	<u>771,721</u>	<u>77,172,088</u>	<u>77,172,088</u>
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

Un-Audited 30 September 2024 --- (Rupees in thousand) ---	Audited 30 June 2024
--	----------------------------

7.3 Share premium

Share premium reserve	273,265	273,265
	-	-
Share premium reserve	273,265	273,265

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

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

8 Long term finances - secured

PAIR Investment Company Limited	58,695	66,860
Less: Current maturity presented under current liabilities	(58,695)	(66,860)
Non Current portion	-	-

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

	Un-Audited 30 September 2024	Audited 30 June 2024
	--- (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 Foreign currency convertible bonds - unsecured		
Opening balance	4,878,519	5,032,036
Mark-up accrued during the year	-	-
	<u>4,878,519</u>	<u>5,032,036</u>
Exchange loss/ (gain) for the year	<u>(11,009)</u>	<u>(153,517)</u>
	<u>4,867,510</u>	<u>4,878,519</u>
Less: Current portion shown under current liabilities	<u>(4,867,510)</u>	<u>(4,878,519)</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 2024

Unaudited September 30, 2024	Audited June 30, 2024
------------------------------------	-----------------------------

--- (Rupees in thousand) ---

11 Creditors, accrued and other liabilities

Trade creditors	142,900	197,472
Provisions and accrued liabilities	438,683	414,773
Payable to statutory bodies	169,808	190,954
Advance against sale of investment property	-	292
Security deposits	19,653	18,836
Rentals against investment property received in advance	39,530	37,800
Retention money	10,742	10,742
Token Money	1,152	157
Payable to contractors	2,503	-
Others	200,137	202,897
	<u>1,025,108</u>	<u>1,073,923</u>

12 Contingencies and commitments

12.1 Contingencies

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

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

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the 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.

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

12.1.4 During the year 2021, the Company received invoices from Athar Marketing Network ('AMN') amounting to Rs 25.248 million in respect of marketing services rendered by it during the previous years. However, the

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

Company's management has raised a dispute with AMN over the aforementioned matter on the grounds that these advertisements were not telecasted/displayed on air as represented by AMN. The management is confident that the dispute will ultimately be settled in the favour of the Company and no outflow of economic resources will be required. Consequently, no provision has been made in this regard in these financial statements.

12.2 Commitments

12.2.1 Commitments in respect of capital expenditure i.e. purchase of properties from Pace Barka Properties Limited (related party), amounts to Rs. Nil (2024: Nil).

12.2.2 Corporate guarantee on behalf of Pace Barka Properties Limited, a related party, in Favor of The Bank of Punjab, amounting to Rs. Nil (2024: Nil) as per the approval of shareholders through the special resolution dated 29 July 2006.

	Unaudited September 30, 2024	Audited June 30, 2024
Note	--- (Rupees in thousand) ---	
13 Property, plant and equipment		
Operating fixed assets	3,068,363	3,081,019
Capital work in progress	2,049,389	2,045,773
Right-of-use assets	94,442	95,635
	<u>5,212,194</u>	<u>5,222,427</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

14 Long term advances and deposits

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

15 Stock-in-trade

	Unaudited September 30, 2024	Audited June 30, 2024
	--- (Rupces in thousand) ---	
Land purchased for resale	685,412	500,312
Work in progress		
- Pace Tower	616,648	651,800
- Pace Circle	-	-
- Pace Supermall	354,600	354,600
Shopping mall and apartments:		
- Leasehold land	1,045,529	1,045,529
- Building and construction cost	3,134,940	3,285,362
- Borrowing cost	425,197	425,197
- Direct costs	612,128	611,599
Cost incurred to date	5,217,793	5,367,687
Cost of sales to date	(3,859,520)	(3,859,520)
Completed units - shops	149,216	152,677
	3,164,149	3,167,556
Stores inventory	-	-
	3,164,149	3,167,556

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

	Un-Audited	
	30 September 2024	30 September 2023
	--- (Rupees in thousand) ---	
16 Minimum tax		
Minimum Tax	<u>(5,927)</u>	<u>852</u>

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

17 Taxation

Income Tax

- Current Year

-	-
-	-

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).

18 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 2024 (30 September 2023: Nil).

	Un-Audited	
	30 September 2024	30 September 2023
	--- (Rupees in thousand) ---	
Profit/(Loss) for the year	<u>115,042</u>	<u>(71,101)</u>
Weighted average number of ordinary shares outstanding during the year	<u>278,877</u>	<u>278,877</u>

	<u>July to September</u>	
	2024	2023
	--- (Rupees in thousand) ---	
19 Cash generated/ (used in) from operations		
Loss before tax	120,969	(70,250)
Adjustment for:		
Exchange (gain)/ loss on foreign currency convertible bonds	(11,009)	35,054
Provision for gratuity and leave encashment	1,186	683
Depreciation on owned assets	9,348	4,588
Depreciation on right-of-use assets	1,193	1,195
Amortisation on intangible assets	125	126
Changes in fair value of investment property	991	5,433
Finance costs	55,191	36,227
Mark-up income	(376)	(61)
Other non cash items	(9,327)	(4,665)
(Loss) / Gain before working capital changes	<u>168,290</u>	<u>8,332</u>
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ Decrease in stock-in-trade	3,407	194
(Increase)/ Decrease in trade debts	(108,458)	59,737
(Increase)/ Decrease in advances, deposits and other receivables	28,612	(50,532)
Increase/ (Decrease) in contract liability	(47,721)	25,554
Increase/ (Decrease) in creditors, accrued and other liabilities	(37,430)	(30,249)
	(161,592)	4,704
	<u>6,698</u>	<u>13,035</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

20 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 2024	30 September 2023
			— (Rupees in thousand) —	
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of goods and services	-	8,539
Media Times Limited	Common Directorship	Rental income	1,752	1,267
		Advertisement expense on behalf of Pace	-	1,500

21 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.

21.1 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.

21.2 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,

21.3 Market risk

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

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

21.4 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 2024	Audited 30 June 2024
Following is the Company's exposure to currency risk:		
	--- (USD in thousand) ---	
Foreign Currency Convertible Bonds - USD	<u>17,527</u>	<u>17,527</u>

21.5 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.

21.6 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).

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the quarter ended 30 September 2024

22 Date of authorization for issue

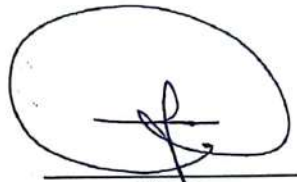
These unconsolidated financial statements were authorized for issue on 29-10-2024 by the Board of Directors of the Holding Company.

23 Corresponding figures

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



Chief Executive Officer



Director



Chief Financial Officer